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National Aeronautics and
Space Administration

NASA FAR Supplement Directive

No. 89-0

Date June 30, 1989

BACKGROUND

The Federal Acquisition Regulation (FAR) is the primary regulation for use by all Federal Executive agencies in their acquisition of supplies and services with appropriated funds. The NASA FAR Supplement (NFS) establishes NASA-wide uniform policies and procedures that implement and supplement the FAR. NASA FAR Supplement Directives (NFSD) amend the NFS. NFSD's consist of loose-leaf replacement pages for the basic NFS. This NFSD 89-0 transmits an entire new edition of the NASA FAR Supplement - the 1989 Edition (Version 89.0) - which replaces the existing NFS.

This NFSD 89-0 is issued by the Assistant Administrator for Procurement, NASA Headquarters, under authority delegated by the Administrator pursuant to the National Aeronautics and Space Act of 1958 (Public Law 85-568, 72 Stat. 426.) Its contents are effective as dated, unless otherwise noted, and shall remain in effect until changed or cancelled, in whole or in part, by a subsequent NFSD or Procurement Notice (PN). The regulations contained herein are published as a Final Rule in the Federal Register and subsequently included in the Code of Federal Regulations at 48 CFR Chapter 18. These prefatory pages, including the filing instructions, are not regulatory in nature and, therefore, do not appear in the CFR. However, they should be retained as an aid in tracking changes to the NFS.

OVERVIEW

This new 1989 Edition of the NFS (Version 89.0) is effective immediately; however, Version 85.14 of the 1984 Edition may be used until September 30, 1989. The first change to the 1989 Edition (NFSD 89-1) will be issued on September 30, 1989. Future NFSDs will normally be issued on the last day of each quarter.

SUMMARY

No regulatory changes have been made in the text; however, Subpart 18-22.10 has been deleted as it is now covered in the FAR. Proper references and numbering pertinent to the 1989 edition are explained at 18-1.104-2(c). Minor typographical and spelling errors have been corrected. A clause duplicative of FAR, 18-52.204-74 and its prescription at 18-4.101, have been deleted. The previously deleted Alternate I to the clause at 18-52.242-70 was inadvertently reprinted in Version 85.14; it has been removed. New versions of the following forms have been inserted: NF 507; NF 507A; NF 781; NF 1356; AF 858; DD Form 250; DD Form 250c; DD Form 1342; DD Form 1419; DOE F 5400.3 (formerly DOE Form EV 375); and NRC Form 313 (formerly NRC Form 313I). All necessary FAR changes through FAC 84-44 are included.

READEX FICHE best copy available

NAS 1.6:

FILING INSTRUCTIONS

The attached pages replace all previous issued NFS pages.

S. J. Evans
Assistant Administrator
for Procurement

Enclosure
NFS 1989 Edition (Version 89.0)

"Here Men From Planet Earth
First Set Foot Upon the Moon.
July 1969 A.D.
We Came In Peace For All Mankind."

NASA
National Aeronautics and
Space Administration

(NHB 5100.4A)
JUNE 1989

NASA FAR SUPPLEMENT

The NASA Supplement to the
FEDERAL ACQUISITION REGULATION

The 1989 Edition

Version 89.0
June 30, 1989

NOTICE

A properly assembled NFS version 89.0 will contain the currently valid pages from the following NASA FAR Supplement Directives:

NFSD	Date Issued
89-0	June 30, 1989

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, DC 20402

NOTICE:

This NASA FAR Supplement Directive (NFSD) has been prepared as carefully as humanly possible; however, error happens. Please complete this form to notify us of mistakes such as misspelled words, omitted material, or errors in format. If more convenient, you may send us a copy of the erroneous page with corrections noted. Do not use this form to submit suggested changes to the Regulation. Responses should be mailed to:

NASA, Code HP
Regulations Development Branch
Washington, DC 20546

Requests from Government agencies for copies of the NFSD should be submitted in accordance with each agency's procedures. Private sector organizations may purchase the NFS on a subscription basis from the Superintendent of Documents, Government Printing Office, Washington, DC 20402. (NASA does not provide subscriptions directly to other agencies or to the public.)

. . . .

An error has been noted as follows:

NFS Part, Subpart, or Section

____

Page Number ____________________ **Page Date** __________________________

Nature of Error:

____

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PART 18-1
FEDERAL
ACQUISITION REGULATIONS SYSTEM

18-1.000 Scope of part.

This part sets forth basic policies and general information about the National Aeronautics and Space Administration (NASA) Federal Acquisition Regulation (FAR) Supplement including purpose, authority, applicability, issuance, arrangement, numbering, dissemination, implementation, supplementation, maintenance, administration, and deviation.

SUBPART 18-1.1
PURPOSE, AUTHORITY, ISSUANCE

18-1.101 Purpose.

The NASA FAR Supplement establishes agencywide uniform policies and procedures that implement and supplement the FAR.

18-1.102 Authority.

Under the following authorities, the Administrator has delegated to the Assistant Administrator for Procurement authority to prepare, issue, and maintain the NASA FAR Supplement:

(a) The National Aeronautics and Space Act of 1958, as amended (Pub. L. 85-568; 42 U.S.C. 2451 et seq.).

(b) 10 U.S.C. 137.

(c) Other statutory authority.

(d) FAR Subpart 1.3.

18-1.103 Applicability.

The NASA FAR Supplement applies to all acquisitions as defined in FAR Part 2 except those expressly excluded by the FAR or this Regulation.

18-1.104 Issuance.

18-1.104-1 Publication and code arrangement.

(a) The NASA FAR Supplement is published in --

(1) The daily issue of the Federal Register;

(2) Cumulated form in the Code of Federal Regulations (CFR); and

(3) A separate loose-leaf edition adaptable for either interleaving with the FAR or filing separately.

(b) The NASA FAR Supplement is issued as Chapter 18 of Title 48, CFR, and it parallels the FAR in format, arrangement, and numbering system. Thus, a formal citation to this paragraph would appear as 48 CFR 1801.104-1(b).

18-1.104-2 Arrangement of regulations.

(a) **General.** The NASA FAR Supplement conforms to the arrangement and numbering system prescribed by FAR 1.104. The numbering illustrations at FAR 1.104-2(b) apply to the NASA FAR Supplement; users are reminded that in the loose-leaf edition of the supplement, NASA's assigned CFR chapter number 18 appears to the left of the part number, separated by a hyphen (e.g., 18-15.402-1). However, in 48 CFR Chapter 18 the hyphen does not appear; therefore the first four digits preceding the point refer to the CFR part number.

(b) **Numbering.**

(1) All NASA FAR Supplement coverage that supplements, as opposed to implementing, the FAR uses part, subpart, section, and subsection numbers 70 through 89 (see 18-1.303-70):

(i) Part 18-70 is the first part number NASA can use for adding coverage that supplements the FAR; i.e., there is no appropriate subject heading within the 53 parts of the FAR under which the coverage could be located.

(ii) Subpart 18-15.70 is the first subpart number NASA can use to supplement FAR Part 15.

(iii) Section 18-15.470 is the first section number NASA can use to supplement FAR Subpart 15.4.

(iv) Subsection 18-15.402-70 is the first subsection number NASA can use to supplement FAR section 15.402.

(v) Subsection 18-15.402-170 is the first subsection number NASA can use to supplement FAR subsection 15.402-1.

(2) All NASA FAR Supplement coverage other than that identified with a 70 or higher number, as described in subparagraph (1) above, implements the FAR and bears the identical number and title of the FAR segment being implemented down to the subsection level; e.g., 18-15.402-1 implements FAR 15.402-1. Below the subsection level, NASA FAR Supplement alphanumerics do not correlate with FAR alphanumerics.

(c) **References and citations.**

(1) Unless otherwise stated, cross references are to parts or subdivisions of this Regulation.

(2) This Regulation may be referred to as the National Aeronautics and Space Administration Federal Acquisition Regulation Supplement, the NASA FAR Supplement, or, for the purpose of brevity, the NFS.

(3) A NFS "version" is the basic NFS with all NFSD change pages filed up to and including the NFSD number that corresponds to the "version" number. For example, for the 1989 edition of the NFS, Version 89.3 consists of pages from NFSDs 89-0 (basic NFS), with change pages filed from NFSDs 89-1, 89-2, and 89-3.

(4) Citations are assumed to mean the "current NFS"; however, if reference to other than the current document is intended, use of the identifying version number appearing on the cover is advisable.

(d) **Provisions and clauses.** See FAR Subpart 52.1 and Subpart 18-52.1 of this Regulation for information regarding the numbering and dating of provisions and clauses.

18-1.104-3 Copies.

Copies of the NASA FAR Supplement in Federal Register, loose-leaf, and CFR form may be purchased from the Superintendent of Documents, U.S. Government Printing Office (GPO), Washington, DC 20402.

18-1.104-370 Dissemination of this Regulation, revisions, and Procurement Notices.

(a) The NASA FAR Supplement, NASA FAR Supplement Directives (NFSDs), and Procurement Notices (PNs) (see 18-1.270-2) are distributed directly to NASA Headquarters and to installation distribution points. The number of copies distributed is determined by the requirements furnished by each Headquarters office and NASA field installation to the Office of Procurement, NASA Headquarters (Code HP). Material that revises this Regulation is published in the Federal Register as required by statute.

(b) Heads of field installations shall ensure that copies of the NASA FAR Supplement, NFSDs, and PNs are promptly distributed to all interested activities and individuals within their installation. Code HP is responsible for distribution within Headquarters and for monitoring bulk distribution to installations.

(c) Subscriptions to the NASA FAR Supplement, including NFSDs, may be purchased by private concerns and individuals from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

18-1.105 OMB approval under the Paperwork Reduction Act.

(a) **NASA FAR Supplement requirements.** The following OMB control numbers apply:

NASA FAR Supplement Segment	OMB Control Number
18-12	2700-0056
18-23	2700-0051
18-27	2700-0052
18-32	2700-0055
18-43	2700-0054
NF 533	2700-0003
NF 667	2700-0004
NF 1018	2700-0017

(b) **Solicitations and contracts.** Various requirements in a solicitation or contract, generally in the statement of work, are not tied to specific paragraphs cleared in paragraph (a) above, yet require information collection or recordkeeping. OMB control number 2700-0042 applies to these requirements. This OMB control number shall be displayed in the upper right hand corner of the cover page of each solicitation/contract. Overprinting is authorized by 18-53.104.

SUBPART 18-1.2
ADMINISTRATION

18-1.270 Amendment of Regulation.

This Regulation is amended as needed to set forth policies and procedures intended to reduce contract preparation time, simplify and standardize contract forms, otherwise improve the contracting process, and reflect changes in statutes, Executive orders, the FAR, and other mandatory policies. Acquisition personnel are encouraged to submit suggestions, based on operating experience, for improving and simplifying this Regulation and the procedures set forth in it. Such suggestions should be submitted through the procurement officer to the Office of Procurement, NASA Headquarters (Code HP).

18-1.270-1 Revisions.

This Regulation is amended by issuing NFSDs containing loose-leaf replacement pages revising various segments of it (also see 18-1.270-2 below). Each replacement page bears the NFSD number and page number at the top. A vertical bar at the side of a line indicates that a change has been made within that line.

18-1.270-2 Procurement Notices.

(a) This Regulation is amended by issuing Procurement Notices (PNs) when --

(1) It is necessary or advisable to promulgate as rapidly as possible selected material revising this Regulation, in a general or narrative manner, in advance of a specific page-replacement-type revision to this Regulation; or

(2) The policy and/or procedure is expected to be effective for less than a year.

(b) Unless otherwise indicated, each PN item remains in effect until the effective date of the subsequent NFSD incorporating the item or until specifically cancelled.

(c) Material unsuitable for insertion in this Regulation shall be promulgated by means other than PNs.

18-1.270-3 Effective date.

(a) NFSD or PN statements to the effect that the material is effective upon receipt or on a specified date or that Directive or Notice changes are to be used upon receipt mean that any new or revised clauses or forms included in the Directive or Notice shall be included in solicitations issued thereafter, unless a different meaning is expressed in the Directive or Notice.

(b) Compliance with a revision to this Regulation shall be in accordance with the NFSD or PN containing the revision. Procurements initiated after receipt of new or revised clauses should, to the maximum practicable extent, include such clauses.

(c) Unless otherwise stated, solicitations that have been issued and bilateral agreements for which negotiations have been completed before the receipt of new or revised contract clauses need not be amended to include the new or revised clauses if including them would unduly delay the procurement action.

18-1.270-4 Numbering.

NFSDs and PNs are numbered consecutively, prefixed by the last two digits of the calendar year of issuance of the current edition of the NASA FAR Supplement.

18-1.271 NASA procedures for FAR changes.

(a) NASA is represented on the Defense Acquisition Regulatory Council (DARC) by a policy member from the Procurement Policy Division (Code HP) and a legal member from the Office of General Counsel (Code GK). NASA staff members are also assigned to standing and ad hoc DARC committees in their areas of expertise. The DARC policies and procedures for initiating and reviewing FAR changes shall be followed by the assigned individuals.

(b) Any NASA element or individual may suggest a FAR revision. Such suggestions should be in writing and contain, at a minimum (1) a concise description of the problem the suggested revision is designed to cure or ameliorate, (2) the revision in the form of a marked-up copy of the current FAR language or the text of any additional FAR language, (3) the consequences of making no change and the benefits to be expected from a change, and (4) any other information necessary for understanding the situation. All suggested FAR revisions shall be sent to the Director, Procurement Policy Division (Code HP).

SUBPART 18-1.3
AGENCY ACQUISITION REGULATIONS

18-1.301 Policy.

The following shall be included in the NASA FAR Supplement:

(a) All agencywide policies and procedures that govern the contracting process or that control contracting relationships, and

(b) All procurement policies, regulations, procedures, and forms requiring publication for public comment in accordance with Pub. L. 98-557. This statute requires that any procurement policy, regulation, procedure, or form (including amendments thereto) relating to the expenditure of appropriated funds that have a significant effect beyond the internal operating procedures of the agency or a significant cost or administrative impact on contractors or offerors must be published for public comment at least 30 days before they may take effect.

(1) The statute does not delineate those policies and procedures that will have a significant effect beyond the internal operating procedures of the agency or have a significant cost or administrative impact. Examples of policies or procedures that fall in either of these categories are given in (i) through (iv) below. This list is not all inclusive and does not prohibit the agency from publicizing a policy or procedure that does not fall within one of the categories mandated by the statute.

(i) A contract clause requiring contractors to take precautions to avoid injury to Florida manatees, which have been designated as an endangered species, has a significant cost impact for contractors who must obtain protective devices for boat propellers and take other safety actions.

(ii) A contract clause requiring contractors to follow the Government's holiday schedule, thereby disallowing premium pay for work on contractor-designated holidays, will have an effect outside the internal operating procedures of the agency.

(iii) A contract clause requiring contractors to segregate costs by appropriations will affect the contractor's internal accounting system and have a significant impact.

(iv) Requiring contractor compliance with NASA's Space Transportation System Personnel Reliability Program will have an effect outside the internal operating procedures of the agency.

(2) In contrast, the following would not have to be publicized for public comment:

(i) Security procedures for identifying and badging contractor personnel to obtain general access at a NASA installation.

(ii) A one-time requirement in a construction contract for the contractor to develop a placement plan and for inspection prior to any concrete being placed. (This is part of the specification or statement of work.)

(iii) A policy that requires the NASA installation to maintain copies of unsuccessful offers.

18-1.302-70 Field installation regulatory implementation.

(a) Heads of NASA field installations may prescribe policies and procedures that do not have a significant effect beyond the internal operating procedures of their installations. All other policies and procedures, described in 18-1.301, must be forwarded to NASA Headquarters for approval in accordance with NASA's procedures for initiating changes to the NASA FAR Supplement.

(b) The Procurement Officer at each installation shall establish procedures, including screening and written rationale for each installation procurement policy, regulation, procedure, and form, to demonstrate compliance with 18-1.302-70(a). The Procurement Officer shall provide a copy of each of these issuances, along with the associated rationale, to the Assistant Administrator for Procurement (Attn. Code HP).

18-1.303 Publication and codification.

18-1.303-70 Assignment of numbers.

(a) Part, subpart, section, and subsection numbers 1 through 69 are reserved for FAR use.

(b) Part, subpart, section, and subsection numbers 70 through 89 are reserved for NASA FAR Supplement use.

SUBPART 18-1.4
DEVIATIONS FROM THE FAR

18-1.400 Scope of subpart.

This subpart prescribes the policies and procedures for authorizing deviations from the NASA FAR Supplement and for the internal processing of FAR deviation requests under FAR Subpart 1.4.

18-1.401 Definition.

"Deviation" means "deviation" as defined at FAR 1.401, except that, for NASA, the words "or NASA FAR Supplement" are added wherever "FAR" appears in the definition.

18-1.402 Policy.

Unless precluded by law, Executive Order, or regulation, deviations from the FAR and NASA FAR Supplement may be granted only as specified in this Subpart 18-1.4. See FAR Part 53 and Part 18-53 of this Regulation regarding exceptions to forms prescribed in them.

18-1.403 Individual deviations.

Individual deviations affect only one contracting action and, unless FAR 1.405(e) is applicable, may be authorized only by the Assistant Administrator for Procurement or a designee. (See 18-1.471 regarding requests for deviations.)

18-1.404 Class deviations.

Class deviations affect more than one contracting action. When it is known that a class deviation will be required on a permanent basis, the contracting office should propose an appropriate FAR or NASA FAR Supplement revision to cover the matter. Only the Assistant Administrator for Procurement or a designee may approve class deviations. (See 18-1.471 regarding requests for deviations.)

18-1.405 Deviations pertaining to treaties and executive agreements.

Deviations from the FAR or NASA FAR Supplement pertaining to treaties or executive agreements shall be processed under the procedures in FAR 1.405, except that deviations not authorized by FAR 1.405(b) or (c) shall be requested under 18-1.471.

18-1.470 Modification to existing contracts adding new procurement.

When an existing contract is modified to add new procurement, approval of the deviations previously granted for the existing contract must be obtained for the modification as though the modification were a new contract. "New procurement," for the purpose of this section, means any action that is competed or that must be authorized under FAR 6.302. An information copy of each request for deviation shall be furnished to the cognizant Associate Administrator.

18-1.471 Procedure for requesting deviations.

(a) Requests for authority to deviate from the provisions of the FAR or of this Regulation shall be (1) submitted to the Office of Procurement, NASA Headquarters (Code HP); (2) signed by the procurement officer or, in that person's absence, by the acting procurement officer; and (3) submitted as far in advance as the exigencies of the situation will permit.

(b) Each request for a deviation shall contain, as a minimum --

(1) Identification of the FAR or NASA FAR Supplement requirement from which a deviation is sought;

(2) A full description of the deviation and the circumstances in which it will be used;

(3) A description of its intended effect;

(4) A statement as to whether the deviation has been requested previously and, if so, the circumstances of the previous request;

(5) The name of the contractor and identification of the contract affected, including the dollar value;

(6) Detailed reasons supporting the request, including any pertinent background information that will contribute to a fuller understanding of the deviation sought; and

(7) A copy of counsel's concurrence or comments.

SUBPART 18-1.6
CONTRACTING AUTHORITY AND RESPONSIBILITIES

18-1.601 General.

At NASA, the authority to contract for authorized supplies and services is delegated to the Assistant Administrator for Procurement by NMI 5101.8, Delegation of Authority--To Take Actions in Procurement and Related Matters (Assistant Administrator for Procurement), and the authority to act in certain circumstances is redelegated to various NASA officials by NMI 5101.24, Delegation of Authority--To Take Actions in Procurement, Grants, Cooperative Agreements, and Related Matters (Various Officials).

18-1.602-3 Ratification of unauthorized commitments.

(a) **Policy.**

(1) Unauthorized commitments are strongly discouraged and can indicate serious employee misconduct. Individuals making unauthorized commitments may be subject to disciplinary action, and the issue may be referred to the Office of Inspector General.

(2) Section 18-2.101 defines the head of the contracting activity in NASA. See FAR 1.602-3(b)(2).

(b) **Limitations.**

(1) The authority in FAR 1.602-3 may be exercised only when --

(i) The Government employee who made the unauthorized commitment, or his/her supervisor, if appropriate, initiates a procurement request in accordance with 18-4.7301(a) (the procurement request and/or accompanying documentation shall identify the individual who made the unauthorized commitment, explain why normal acquisition procedures were not followed, explain why the firm was selected, list other sources considered, describe the work, and estimate or state the agreed price); and

(ii) The contracting officer obtains a certification that funds are available and were available at the time the unauthorized commitment was made, in accordance with FAR 1.602-3(c)(6).

(2) The ratifying official shall provide a copy of each ratification along with information specified in FAR 1.602-3 and this paragraph (b) to the Assistant Administrator for Procurement (Attn: Code HP).

18-1.603 Selection, appointment, and termination of appointment.

18-1.603-2 Selection.

(a) **Policy.** The objective of issuing contracting officer Certificates of Appointment, SF 1402, is to ensure that only officials fully qualified to obligate the Government for the expenditure of public funds for the procurement of supplies and services are appointed contracting officers when an organizational need occurs. Normally, only GS-1105 and GS/GM-1102 personnel may be appointed contracting officers.

(b) **Appointment levels.** There are three levels of appointment authority, as follows; the appropriate appointment level shall be specified on the SF 1402 upon issuance:

(1) ***Basic level:*** Applies to personnel in the GS-1102 or GS-1105 series with signature authority for small purchases, orders placed under Federal Supply Schedule contracts, mandatory sources, or blanket purchase agreements.

(2) ***Intermediate level:*** Applies to those in the GS/GM-1102 series delegated authority to execute contracts and

contract modifications for up to $500,000.

(3) *Senior level:* Applies to those in the GS/GM-1102 series delegated authority to execute contracts and contract modifications exceeding $500,000.

(c) **Organizational need determination.** NASA contracting officers shall be appointed only when a valid organizational need can be demonstrated. Factors to be considered in assessing the need for a contracting officer include volume of actions, complexity of work, and organizational structure.

(d) **Selection procedure.**

(1) Once the organizational need is determined, the supervisor will nominate a contracting officer candidate. At the supervisor's request, the candidate shall prepare a qualification statement (or SF 171) containing the information listed in (i) through (viii) following:

(i) Name.

(ii) Title, series, and grade.

(iii) Office.

(iv) Relevant experience, beginning with current position to a total of four relevant positions, including for each position --

(A) Employer;

(B) Dates employed;

(C) Title of position;

(D) Kind of business/organization; and

(E) Description of work.

(v) Other relevant special qualifications, certifications, or skills.

(vi) Relevant honors, awards, or fellowships received.

(vii) Education, including --

(A) Highest level completed;

(B) High school name, dates attended, and diploma received; and

(C) College or university name, dates attended, degree(s) received; chief undergraduate college subjects; number of credits (show whether semester or quarter hours) completed; and major field of study at highest level of college work.

(viii) Procurement-related training, including --

(A) Name of course;

(B) Name of school; and

(C) Dates attended.

(2) The supervisor will review the qualification statement to determine the candidate's ability to perform the functions required to meet the organizational need. The supervisor will then complete a Request for Appointment of a Contracting Officer, using the format shown below, justifying the validity of the organizational need and verifying the candidate's qualifications. This document will be signed by the candidate's supervisor and submitted through appropriate organizational channels to the appointing authority (see NMI 5101.24). If the appointing authority requires additional information, the application will be returned with a request for further explanation or supporting data.

FORMAT

Request for Appointment of a Contracting Officer

The following findings and determinations are made, pursuant to applicable laws and regulations:

(Insert appropriate information)

1. There is a clear and convincing need to appoint a contracting officer with the ability to perform at the ________ (basic, intermediate, or senior) contracting officer warrant level, for the following reasons:

(Insert appropriate reasons)

2. The contracting officer candidate is --

____
(Name, Title, Series, and Grade)

3. The contracting officer candidate will occupy the organizational level described below:

____
(Office/Division/Branch and Location)

4. The candidate's qualifications statement is enclosed. It was found that (insert the appropriate statement)

- The candidate's experience and training meet the established qualification standards.
- This candidate does not meet the minimum qualifications in ____________________ experience and/or training as indicated in the justification); therefore, an interim appointment for the period of ________________ is requested. These experience and/or training needs will be identified in the candidate's individual development plan and must be completed by ________________.

5. The candidate's current conflict-of-interest disclosure statement is on file in the appropriate personnel office or is attached.

6. In addition to the FAR, the NASA FAR Supplement, laws, Executive Orders, NASA Management Instructions, and other applicable regulations, the following warrant limitations are imposed:

a. Dollar Threshold: __________
b. Other Limitations: __________

SUPERVISOR: ____________________
(Signature of Supervisor of the Candidate)

____
(Date) (Typed Name)

____
(Contracting Office) (Title)

APPROVED: ____________________
(Appointing Authority) Date

(3) If the appointing authority approves the Request for Appointment of a Contracting Officer, the appointing authority shall issue a Standard Form (SF) 1402, Certificate of Appointment, in accordance with 18-1.603-3. A copy of the SF 1402, the Request for Appointment of a Contracting Officer, and the qualification statement shall be maintained for each contracting officer in a central location in the installation's contracting office while the SF 1402 is effective and for three years after its termination or after the individual has left the contracting office's employ. A copy of each SF 1402 issued shall be provided to NASA Headquarters, Office of Procurement (Code HM). Each installation shall maintain an up-to-date listing, by name and position, of all the installation's contracting officers and the limitations imposed on them in their warrants. A copy of this listing shall be provided annually to NASA Headquarters, Office of Procurement (Code HM).

(c) Qualifications.

(1) The following are the experience, education, and training requirements needed to qualify for each of the three contracting officer appointment authority levels. Appointing authorities may establish additional

qualifications, as appropriate. For example, additional qualifications may be established for those authorized to sign incentive and award-fee actions.

(i) ***Experience.***

(A) ***Basic level:*** One year of current experience in Government or commercial procurement, including six months experience in small purchasing.

(B) ***Intermediate level:*** Two years of current, progressively complex and responsible procurement or staff experience in Government or commercial procurement.

(C) ***Senior level:*** Four years of current, progressively complex and responsible procurement or staff experience in Government or commercial procurement.

(ii) ***Education*** (preferred, not mandatory).

(A) ***Basic level:*** A high school diploma or equivalent.

(B) ***Intermediate and senior levels:*** A bachelor's degree from an accredited college or university that included or was supplemented by at least 24 semester hours in a field of study directly related to procurement, such as business administration, contract law, accounting, Government management, industrial purchasing, or material management.

(iii) ***Training.*** Except as provided in paragraph (f) below, acceptable formal training courses covering the subject matter listed below must be satisfactorily completed before a candidate may be nominated for a contracting officer appointment. Approved equivalency tests may be used as substitutes for these formal training requirements.

(A) ***Basic level:*** 40 hours of formal training covering the application of fundamental principles, policies, procedures, and practices in procurement.

(B) ***Intermediate level:*** 80 hours of formal training covering functional knowledge of procurement law, policies, procedures, and methods, including, as a minimum, Government contract law, procurement by negotiation, procurement by sealed bidding, contract administration, and cost and price analysis.

(C) ***Senior level:*** 120 hours of formal training, including analysis of procurement methods and techniques to enable an individual to manage contractual relationships effectively. The general topics described in (A) and (B) above also apply to the senior level.

(2) A two-year associate's degree in a procurement-related field, such as business administration or accounting, may be substituted for six months of procurement experience. A four-year undergraduate program degree in a procurement-related field from an accredited college or university may be substituted for procurement experience at the rate of 12 semester credit hours for three months of procurement experience. One year of concentrated experience in an advanced procurement subject area beyond the two-year minimum for the intermediate-level qualifications and the four-year minimum for senior-level qualifications may be substituted for 24 classroom hours of formal training in procurement, up to a maximum of 96 classroom hours.

(f) **Interim appointments.** Personnel shall not ordinarily be appointed contracting officers if they do not meet the applicable qualifications prescribed in this subsection. If it is necessary to appoint a contracting officer who does not fully meet the qualifications, an interim appointment may be granted. The appointing authority shall require as a condition of the interim appointment that all training or experience requirements will be met within a specified reasonable period of time. Failure to successfully complete the training requirements within this time frame will result in termination of the appointment or issuance of another interim warrant, whichever is considered necessary by the appointing authority. The appointing authority must fully document these actions.

(g) **Condition of appointment.** As a condition of continuing appointment, all contracting officers shall be required to complete a procurement-related Government, commercial, or academic course/seminar satisfactorily at least once every five years. This training will preferably be in an area closely related to that in which the contracting officer is assigned.

(h) **Changes to contracting officer appointments.** Changes, either increasing or decreasing the warrant limitations of a contracting officer, shall be made solely at the discretion of the appointing authority. When an appointing authority determines to make such changes, a new SF 1402 shall be issued, and the existing warrant shall be officially terminated.

18-1.603-3 Appointment.

(a) The SF 1402 shall be construed as authorization of designated personnel to exercise contracting officer authority in accordance with the FAR, the NASA FAR Supplement, and the NASA Procurement Regulation. The limitations section of the SF 1402 shall, immediately after the word "following," state: ". . . the limitations contained in the NASA FAR Supplement and the NASA Procurement Regulation."

(b) If the appointing official chooses to restrict a contracting officer from exercising authority under the NASA Procurement Regulation, the limitations section of the SF 1402 shall, immediately after the word "following," state: ". . . the limitations contained in the NASA FAR Supplement."

18-1.603-4 Termination.

The appointing authority may terminate the appointment of a contracting officer at any time. Contracting officers whose appointments are terminated shall be given by the appointing authority a written notice stating the reasons for and the effective date of the termination.

18-1.670 Delegation of procurement responsibilities.

(a) **Delegations to non-GS/GM-1102 or 1105 personnel.**

(1) Contracting officer duties are typically performed by GS/GM-1102 or 1105 personnel within the procuring organization. In certain limited situations, it may be appropriate to designate non-GS/GM-1102 or 1105 personnel as contracting officers. The authority to obligate appropriated funds for the procurement of supplies and services may be delegated to non-GS/GM-1102 or 1105 personnel; provided all of the conditions in (i) through (iv) following are met:

(i) A contracting officer warrant must be issued to the non-GS/GM-1102 or 1105 individual. The warrant must include a specific dollar limitation set as low as possible. This limitation shall not exceed the small purchase threshold in effect at the time of the delegation. Specific dollar limitations well below the small purchase threshold should normally be sufficient and are encouraged. The warrant may include further limitations, such as the types of supplies or services that may be acquired.

(ii) Only the procurement officer at each installation is authorized to issue or terminate contracting officer warrants to non-GS/GM-1102 or 1105 personnel. This authority is nondelegable.

(iii) Contracting officer warrants for non-GS/GM-1102 or 1105 personnel may be issued only for small purchase procedures (FAR Part 13 and NFS Part 18-13). These procedures include executing purchase orders and modifications to purchase orders. Authority to issue or sign contracts, unilateral or bilateral contract modifications of any amount, or orders above the small purchase threshold on Federal Supply Schedules is not delegable to non-GS/GM-1102 or 1105 personnel.

(iv) The selection, appointment, and termination procedures in 18-1.603 shall be followed. In particular, the education, training, and experience requirements for a basic-level contracting officer (see 18-1.603-2(e)) must be met before a warrant is issued. The experience requirement at 18-1.603-2(e)(1)(i)(A) may be obtained either within a procurement office or in an office that otherwise does procurement work. For example, a training specialist may acquire the experience requirement by preparing in the installation's personnel office purchase orders for training that will be signed by a warranted contracting officer.

(2) The responsibility for monitoring the procurements made by non-GS/GM-1102 or 1105 contracting officers remains with the procurement officer who issues their warrants. The procurement officer is responsible for ensuring that a system is in place that provides for general oversight of the continued need for each specific warrant and periodic review of the quality of the procurement actions taken. These reviews shall be made no less frequently than semiannually.

(3) Examples of contracting officer designations that may be appropriate for non-GS/GM-1102 or 1105 personnel are the authorization to the installation's training officer to sign purchase orders for off-the-shelf training courses under a certain dollar amount, or to the installation's librarian to place orders up to $X for magazine subscriptions.

(4) The requirements for imprest funds are established by the NASA Financial Management Manual; use of imprest funds does not require contracting officer warrants or authority.

(5) The term "ordering officer" is not authorized for use in delegating procurement functions to non-GS/GM-1102 or 1105 personnel.

(b) **Delegations to contracting officer's technical representatives (COTRs).** A COTR delegation may be made only by the contracting officer cognizant of that contract at the time the delegation is made. If the cognizant contracting officer is absent, the delegation letter may be signed by a warranted contracting officer at any level above the cognizant contracting officer. An individual COTR may have only the duties specifically identified in a written delegation to him or her by name (i.e., COTR duties may not be delegated to a position) and has no authority to exceed them. COTRs should be informed that they may be personally liable for unauthorized commitments. Contracting officer authority to sign or authorize contractual instruments shall not be delegated through a COTR designation or by any means other than a contracting officer warrant. However, delegations may be made to construction contract COTRs to sign emergency change orders with an estimated value not to exceed $2,500 on-site at construction sites.

SUBPART 18-1.7
DETERMINATIONS AND FINDINGS

18-1.703 Class determinations and findings.

The effective period specified in each class determination and findings (D&F) shall not ordinarily exceed one year. When a longer period is considered appropriate and necessary, the D&F shall say why.

18-1.704 Content.

Content and format requirements in addition to those at FAR 1.704 are specified in the associated subject text. While the contracting officer is responsible for preparing D&Fs, requirements and technical personnel are responsible for the accuracy and adequacy of the supporting factual information, which shall be furnished to the contracting officer in writing.

18-1.707 Signatory authority.

Signatory authority for D&Fs is specified in the FAR or NASA FAR Supplement text for the associated subject matter. The Administrator may make any of the D&Fs that may be made by the Assistant Administrator for Procurement or by a contracting officer.

PART 18-2

DEFINITIONS OF WORDS AND TERMS

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PART 18-2
DEFINITIONS OF WORDS AND TERMS

18-2.000 Scope of part.

Commonly used words and terms are defined in FAR Subpart 2.1. This Part 18-2 gives NASA-specific meanings of some of these words and terms and defines other words and terms commonly used in the NASA acquisition process.

SUBPART 18-2.1 DEFINITIONS

18-2.101 Definitions.

The following words and terms are used throughout this Regulation as defined in this subpart unless --

(a) The context in which they are used clearly requires a different meaning; or

(b) A different definition is prescribed for a particular part or portion of a part.

"Administrator" means the Administrator or Deputy Administrator of NASA.

"Assistant Administrator for Procurement" means the Assistant Administrator for Procurement, Office of Procurement, NASA Headquarters (Code H).

"Contracting activity" in NASA includes each "installation" as defined in this section 18-2.101.

"Contracting office" means the same thing as the previously used term "procurement office."

"Field installation" means Ames Research Center, Goddard Space Flight Center, John F. Kennedy Space Center, Langley Research Center, Lewis Research Center, Johnson Space Center, George C. Marshall Space Flight Center, John C. Stennis Space Center, or any other field installation established by NASA in the future.

"Head of the agency" or *"agency head"* means the Administrator or Deputy Administrator of NASA.

"Head of the contracting activity" means, for field installations, the Director or other head and, for NASA Headquarters, the Assistant Administrator for Procurement.

"Installation" means NASA Headquarters or any field installation and is synonymous with "contracting activity."

"Procurement" means the same thing as "acquisition," as defined in FAR 2.101.

"Procurement officer" means the chief of the contracting office, as defined in FAR 2.101.

PART 18-3

IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

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PART 18-3
IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

SUBPART 18-3.1
SAFEGUARDS

18-3.101 Standards of conduct.

18-3.101-1 General.

(a) Federal statutes prohibit certain acts by Government personnel and special Government employees as defined in 18 U.S.C. 202 in relation to Government procurement. Among these statutes are (1) 18 U.S.C. 201, relating to bribes in order to secure a Government contract; (2) 18 U.S.C. 203, relating to compensation for services rendered in connection with any proceeding or claim in which the United States has an interest; (3) 18 U.S.C. 205, relating to acting as an agent or attorney for prosecuting any claim against the United States; (4) 18 U.S.C. 208, relating to transacting business as an officer or agent of the United States with firms of which the officer or agent, or a spouse, minor child, or partner, is an official or in which the officer or agent has a pecuniary interest; and (5) 18 U.S.C. 209, relating to compensation from non-Government sources in connection with Government services.

(b) The statutory prohibitions and their application to NASA personnel are discussed in NHB 1900.1, Standards of Conduct for NASA Employees, and NHB 1900.2, Standards of Conduct for NASA Special Government Employees. All NASA personnel involved in procurement actions shall become familiar with these statutory prohibitions. Any questions concerning them shall be referred to legal counsel. In addition to criminal penalties, the statutes provide that transactions entered into in violation of these prohibitions are voidable (18 U.S.C. 218). (See Subpart 18-3.70 for policy on contracting with former NASA employees.)

18-3.101-2 Solicitation and acceptance of gratuities by Government personnel.

Any suspected violations shall be reported promptly to the installation's Office of Inspector General. (See Standards of Conduct for NASA Employees, NHB 1900.1.)

SUBPART 18-3.2
CONTRACTOR GRATUITIES TO GOVERNMENT PERSONNEL

18-3.203 Reporting suspected violations of the Gratuities clause.

Any suspected violations of the clause at FAR 52.203-3, Gratuities, shall be reported to the installation's Office of Inspector General.

SUBPART 18-3.3
REPORTS OF SUSPECTED ANTITRUST VIOLATIONS

18-3.303 Reporting suspected antitrust violations.

(a) When offers are received that, in the opinion of the contracting officer, indicate possible antitrust violations, the contracting officer shall report the circumstances to the General Counsel, NASA Headquarters, through the Office of Procurement (Code HP). Reports should not be submitted automatically but only when there is reason to believe the offers may not have been arrived at independently. These reports shall be submitted with conformed copies of bids or proposals, contract documents, and other supporting data, and shall set forth --

(1) The noncompetitive pattern or situation under consideration;

(2) Purchase experience in the same product or service for a reasonable period (one or more years) preceding receipt of the offers under consideration, including unit and total contract prices and abstracts of bids;

(3) Community of financial interest among offerors, insofar as it is known;

(4) The extent, if any, to which specification requirements or patents restrict competition;

(5) Any information available about the pricing system employed in offers believed to reflect noncompetitive practices; and

(6) Any other pertinent information.

(b) Evidence of practices that, in the opinion of the General Counsel, NASA Headquarters, may violate the antitrust laws shall be forwarded to the Attorney General of the United States (see FAR 3.303).

(c) The contracting officer shall submit the identical bid report required by FAR 3.303(d) to NASA Headquarters, Office of Procurement (Code HP). The report shall include the reasons for suspecting collusion. Code HP shall forward a copy to the NASA Office of the Inspector General.

SUBPART 18-3.5
OTHER IMPROPER BUSINESS PRACTICES

18-3.502 Subcontractor kickbacks.

Suspected violations of the Anti-Kickback Act shall be reported in accordance with 18-9.470.

SUBPART 18-3.6
CONTRACTS WITH GOVERNMENT EMPLOYEES OR ORGANIZATIONS OWNED OR CONTROLLED BY THEM

18-3.602 Exceptions.

The Administrator has delegated to the Assistant Administrator for Procurement (Code H) authority to authorize an exception to the policy in FAR 3.601 (see NMI 5101.8, Delegation of Authority--To Take Actions in Procurement and Related Matters (Assistant Administrator for Procurement)).

SUBPART 18-3.7
VOIDING AND RESCINDING CONTRACTS

18-3.704 Policy.

The Assistant Administrator for Procurement has been delegated authority to void or rescind contracts when there is a final conviction for violation of 18 U.S.C. 201-224 (Bribery, Graft and Conflicts of Interest) relating to them.

18-3.705 Procedures.

(a) The official to whom reports shall be sent pursuant to FAR 3.705(a) is the Assistant Administrator for Procurement; they shall be sent by the procurement officer.

(b) The Assistant Administrator for Procurement is responsible for the actions, notices, and decisions required by FAR 3.705(c), (d), (e).

SUBPART 18-3.70
CONTRACTS BETWEEN NASA AND ITS FORMER EMPLOYEES

18-3.7001 Policy.

(a) It is NASA policy that contracts not normally be placed on a noncompetitive basis with any individual employed by NASA during the past two years or with any firm in which such an individual is a partner, principal officer, or majority shareholder or that is otherwise controlled or predominantly staffed by such individuals, unless it is determined to be in the best interest of the Government to do so (see 18-6.303-270).

(b) Where it has been determined that it is appropriate to contract on a noncompetitive basis with an individual or firm described in paragraph (a) above, the approval authority for the justification for less than full and open competition shall be as specified in 18-6.304-70.

(c) If individuals or firms described in paragraph (a) above are involved in a competitive procurement, precautions must be taken to ensure that they are not accorded preferential treatment. If one of them is the successful offeror, the contract file shall include a separate document fully explaining the safeguards used to ensure fair treatment of all offerors under the procurement, unless sealed bidding is used.

(d) Nothing in this subpart shall be construed as relieving former employees from obligations prescribed by law, such as 18 U.S.C. 207 (Disqualification of Former Officers and Employees).

(e) The policy in paragraph (a) above shall also be followed when reviewing subcontracts for the purpose of granting consent under NASA prime contracts (see FAR 44.202-2(a)(7)).

18-3.7002 Solicitation provision.

The contracting officer shall insert the provision at 18-52.203-70, Contracts Between NASA and Former NASA Employees, in all solicitations other than invitations for bids.

PART 18-4

ADMINISTRATIVE MATTERS

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PART 18-4 ADMINISTRATIVE MATTERS

SUBPART 18-4.1 CONTRACT EXECUTION

18-4.101 Contracting officer's signature.

The contracting officer shall sign negotiated contracts after the contractor unless the particular contract form or circumstances of the acquisition require otherwise.

18-4.170 Contract effective date.

(a) "Contract effective date" means the date agreed upon by the parties for beginning the period of performance under the contract. It shall be on or after the date on which the contract becomes legally binding. Generally, a contract becomes legally binding when the offeror receives the document, signed by both parties, unless, by its terms, it does not become binding until some subsequent condition is met (e.g., approval by higher authority (FAR 52.204-1) or availability of funds (FAR 52.232-18)). The effective date should allow adequate time for the offeror or its agent to receive the written acceptance, with any doubt being resolved by setting the effective date after the contract becomes legally binding. In no case shall the effective date precede the date on which the contracting officer or designated higher approval authority signs the document.

(b) Costs incurred before the contract effective date are unallowable unless they qualify as precontract costs (see FAR 31.205-32) and the clause prescribed at 18-32.705-270(b) is used.

SUBPART 18-4.2
CONTRACT DISTRIBUTION

18-4.202 Agency distribution requirements.

(a) In addition to the requirements in FAR 4.201, the contracting officer shall distribute one copy of each R&D contract, including the Statement of Work, to the NASA Scientific and Technical Information Facility, Attention: Document Processing Section, P.O. Box 8757, Baltimore/Washington International Airport, MD 21240.

(b) The Office of Procurement, NASA Headquarters (Code HS) will retain one executed copy of each contract and modification requiring approval of the Assistant Administrator for Procurement. Upon approval or disapproval of the proposed contract or modification, the Assistant Administrator for Procurement will forward the original and two executed copies of the contract or modification, together with the contract file, to the procurement officer or other official, as considered appropriate.

SUBPART 18-4.4
SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY

18-4.402 General.

NASA industrial security policies and procedures are prescribed in NASA Management Instruction 1650.1, "Industrial Security Policies and Procedures." (See also 18-42.202-72).

18-4.404-70 Contract clause.

The Contracting Officer shall insert the clause at 18-52.204-75, Security Classification Requirements, in solicitations and contracts if work to be performed will require security clearances. Insert the security clearance level applicable to the particular procurement. Include in the solicitation and contract a properly executed DD Form 254, Contract Security Classification, in accordance with NMI 1650.1. For contracts, delete the last sentence. This clause may be modified to add instructions for obtaining security clearances and access to security areas that are applicable to the particular procurement and installation.

SUBPART 18-4.6
CONTRACT REPORTING

18-4.601 Record requirements.

The Headquarters Procurement Management Division (Code HM) is responsible for developing the computer file specified in FAR 4.601, through the installation procurement officer's or delegatee's monthly submission of Individual Procurement Action Reports (NASA Form 507), and for subsequent transmittal of the required data to the Federal Procurement Data System (FPDS).

18-4.670 General.

The following sections prescribe uniform reports required to be prepared in contracting and contract administration offices to provide management necessary information to help formulate, change, or measure the effectiveness of procurement policy.

18-4.671 Individual Procurement Action Report (NASA Forms 507 and 507A).

The Individual Procurement Action Report and Supplement (NASA Forms 507 and 507A) provide essential procurement records and statistics through a single uniform reporting program as a basis for required recurring and special reports to the President, Congress, Department of Commerce, Office of Federal Procurement Policy, Federal Procurement Data Center, Federal Emergency Management Agency, General Accounting Office, Small Business Administration, and other Federal agencies. The preparation and utilization of NASA Forms 507 and 507A (see 18-53.303-507 and -507A) are an integral part of the agencywide Financial and Contractual Status (FACS) system.

18-4.671-1 Applicability and coverage.

(a) The following procurement actions are individually reportable and require the completion of NASA Forms 507 and 507A:

(1) *Initial basic procurements.*

(i) All contracts, regardless of dollar obligation amount.

(ii) All grants, cooperative agreements, and Space Act agreements.

(iii) Intragovernmental procurements and purchase orders when the initial obligation is more than $25,000.

(iv) All contracts and purchase orders for consulting services. (Purchase orders of $25,000 or less and not for consulting services are not reportable.)

(2) *Modifications.* Modifications that (i) obligate or deobligate funds, regardless of dollar amount, (ii) change the estimated cost and/or fee by more than $25,000, (iii) extend the completion date, or (iv) add or change procurement statistics previously reported are reportable.

(b) NASA Form 507A (items 28 through 49) data is not required in the FACS system for the following types of procurement actions:

(1) Grant awards (procurement placement codes ST and WT).

(2) Cooperative agreements and Space Act agreements (PPC's SW, SX, WW, and WX).

(3) Intragovernmental awards (PPC 98).

(4) Orders under Federal Supply Schedule contracts (mandatory and optional).

(5) Small purchases (PPC's BC, DC, KC, NC, RC, SC, TC, WC, XC, YC, CC, EC, HC, IC, LC, MC, OC, PC, VC, and ZC).

18-4.671-2 Contractual records.

As used in this Subpart 18-4.6, "contractual records" embraces records for all reportable procurements, including contracts, grants, cooperative agreements, Space Act agreements, and intragovernmental awards. The NASA Forms 507 and 507A are the source of data for contractual records, with the exception of obligations, which are obtained from the financial records.

18-4.671-3 Submission due date.

The FACS report shall have information as of the last day of the month and shall arrive in NASA Headquarters not later than the close of business on the eighth work day following each month being reported. The installation procurement officer should establish an agreement with the installation financial officer on a cut-off date for processing contractual documents to ensure that the FACS procurement submission and the FACS financial submission for the month include the same contracts.

18-4.671-4 Preparing Individual Procurement Action Reports (NASA Forms 507 and 507A).

Individual Procurement Action Reports shall be prepared and submitted to Headquarters for each procurement action required to be reported (see 18-4.671-1 above). Detailed item instructions for preparing NASA Forms 507 and 507A are set forth in paragraphs (a) through (vv) below and correspond to the item numbers shown on the forms. Position numbers after each item indicate the maximum number of characters that may be used in reporting the data element.

(a) **Item 1--Type of record** (1 position). Enter N to indicate a new initial basic procurement or modification that is individually reportable. Enter C to indicate a correction to an error on a previously reported basic procurement or modification.

(b) **Item 2--Contract/grant number** (11 positions, including blanks).

(1) Enter the specific contract, grant, cooperative agreement, Space Act agreement, or purchase order number for which the data are reported. The first five digits represent the prefix field, while the last six digits are used to number each contractual instrument serially. If a serial number does not fill out the entire field, leave those digit positions blank instead of using zeros. For utility contract and purchase order numbers, enter an alpha letter in the last position of the serial number, indicating the fiscal year the service was provided.

(2) The method of numbering --

(i) Contracts and purchase orders is set forth in Subpart 18-4.71 (e.g., NAS9-14000, NAS10-9080, NASW-2080);

(ii) Space Act agreements is set forth in Subpart 18-4.71 (e.g., NCA1-12500);

(iii) Grants is set forth in the NASA Grant and Cooperative Agreement Handbook, NHB 5800.1, paragraph 306.1 (e.g., NAGW-1, NAG2-308);

(iv) Cooperative agreements is set forth in the NASA Grant and Cooperative Agreement Handbook, NHB 5800.1, paragraph 306.2 (e.g., NCC 2-1); and

(v) Utility contracts and purchase orders is as follows:

Last Digit Alpha Letter	Fiscal Years Ending in	Last Digit Alpha Letter	Fiscal Years Ending in
Q	1	V	6
R	2	W	7
S	3	X	8
T	4	Y	9
U	5	Z	0

(c) **Item 3--Modification number** (5 positions). Enter the serial number assigned to the modification action.

(d) **Item 4--Accounting installation number** (2 positions). Enter a numeric code identifying the installation currently responsible for maintaining the fiscal records. The following is a list of installations and their assigned codes:

Code	Installation
10	NASA Headquarters
21	Ames Research Center
22	Lewis Research Center
23	Langley Research Center
51	Goddard Space Flight Center
55	Jet Propulsion Laboratory
62	George C. Marshall Space Flight Center
64	John C. Stennis Space Center
72	Lyndon B. Johnson Space Center
76	John F. Kennedy Space Center

(e) **Item 5--Procuring installation number** (2 positions). Enter a numeric code identifying the installation responsible for the procurement. The following is a list of installations and their assigned codes:

Code	Installation
04	NASA Headquarters
05	Space Station Procurement Office
21	Ames Research Center
22	Lewis Research Center
23	Langley Research Center
24	Dryden Flight Research Facility
51	Goddard Space Flight Center
53	Wallops Flight Facility
54	NASA Resident Procurement Office-JPL
62	George C. Marshall Space Flight Center
64	John C. Stennis Space Center
72	Lyndon B. Johnson Space Center
76	John F. Kennedy Space Center

(f) **Item 6--Contractor identification code (CIC)** number (7 positions). This code is obtained from the publication, "NASA Contractor Identification Codes," issued quarterly by the Headquarters Procurement Management Division (Code HM). It identifies the procurement in terms of the contractor's name, division (if any), address, and the place of performance. A unique code is assigned for each different combination of these items. For combinations not listed in the coding publication, NASA Form 507 preparers should call the Office of Procurement, NASA Headquarters (Code HM), where a code will immediately be assigned and the exact abbreviations, where appropriate, will be specified. The new code will be listed in the next issue of the coding publication.

(g) **Item 7--Contractor name** (29 positions, including spaces). Enter the name of the contractor. (For editing purposes, the first five characters of the contractor's name must be identical to those shown in "NASA Contractor Identification Codes.") For intragovernmental actions, enter the agency name (e.g., US Army, US Navy, US

Commerce) and also see the Item 8 instructions immediately below. If the activity is under a single-manager agency, enter the name of the agency.

(h) **Item 8--Contractor division** (20 positions). Enter the name of the contractor's division if one is named in the contractual instrument. (For editing purposes, the first five characters of the division name must be identical to those shown in "NASA Contractor Identification Codes.") For intragovernmental actions, enter the name of the cognizant procuring activity (e.g., Electronic Systems Division).

(i) **Item 9--Contractor address--city and State.** Enter city and state of contractor's address as stated in the contractual instrument.

(j) **Items 10 and 11--Place of performance** (city--24 positions; State--2 positions; zip code--5 positions). Enter the location (city and state) of the principal plant or place of business where the items will be produced or supplied from stock or where the service will be performed. (For editing purposes, the first three characters of the city name must be identical to those shown in "NASA Contractor Identification Codes.") For construction contracts, enter the site of construction. If more than one location is involved, enter the principal place of performance. For intragovernmental actions where the place of performance is unknown, enter the address of the cognizant Government agency. Enter the zip code in Item 11.

(k) **Item 12--Contract award/modification date** (6 positions).

(1) *Contract date.* Enter the year, month, and day (two numerics each) of the contract's effective date (see 18-4.170) shown on the face of the contract. With respect to letter contractual instruments, enter the date of commitment to the contractor. This date will be shown as the date of the contract when it is definitized.

(2) ***Modification date.*** Enter the year, month, and day (two numerics each) shown in Block 3 of SF 30 on the face of the modification being reported.

(l) **Item 13--Completion date** (6 positions). Enter the year, month, and day (two numerics each), either specified or estimated, when all work on the contract and any modifications is scheduled for completion. This date may or may not change as modifications to the contract are issued.

(m) **Item 14--Procurement placement code** (2 positions). Enter the alpha procurement placement code (PPC) identifying the type of solicitation process used and the extent of competition obtained on the procurement. (See 18-4.671-7 for PPC matrix.) The FACS system must be able to provide information on "noncompetitive procurements using competitive procedures," as required by Public Law 98-369; this is accomplished by selecting procurements coded 1 in Item 32 (Number of offers received) and coded 2, 3, or 4 in Item 18 (Extent of competition). These procurements must have one of the following competitive PPC's: AX, AE, AF, BX, BE, BF, FX, FE, FF, GF, KX, KE, QX, RS, RE, UX, TX, TE, XX, XE, or XD.

(n) **Item 15--Kind of action** (2 positions). Enter the numeric code from the following lists that identifies in general terms the kind of procurement and the action taken to initiate it:

NEW CONTRACTS/GRANTS/ORDERS

Code	Kind of Action
01	**New letter contract**
03	**New basic contract.** New procurements, when the first

	binding document contains all the agreement's terms and conditions.
05	**Intragovernmental.** Orders issued to other Federal agencies.
06	**Grant**
21	**Cooperative agreement or Space Act agreement**
23	**Order under Mandatory GSA-FSS.** See FAR 8.404.
24	**Order under optional (non-mandatory) GSA-FSS.** See FAR 8.404-2.
25	**Order under indefinite-delivery contract (IDC)** (other than reporting center's)
26	**Order under BOA** (other than reporting center's)

MODIFICATIONS TO EXISTING CONTRACTS

Code	Kind of Action
07	**New-work modification.** Modifications that add a new procurement to existing contracts. New procurement, for the purpose of this report, means a modification action that usually requires the preparation of a Justification for Other than Full and Open Competition (see FAR 6.303).
08	**Supplemental agreement.** Bilateral, definitized modifications except those covered by code 10 below.
09	**Change order.** Change orders issued pursuant to the changes clause of the contract.
10	**Supplemental agreement definitizing change order**
11	**Administrative/incremental funding.** This code should be used for administrative changes (such as novation agreements) as well as for incremental funding modifications.
12	**Termination for default**
13	**Termination for convenience**
14	**Definitizing letter contract**
15	**Exercising priced option**
16	**Order under reporting center's indefinite delivery contract (IDC)**
17	**Order under reporting center's BOA.**

(o) **Item 16--Contractor type** (2 positions). Enter the appropriate code from the following:

BUSINESS

Code	Contractor
01	**Section 8(a)-disadvantaged.** Awards placed through the Small Business Administration with a minority business firm owned and controlled by socially and economically disadvantaged individuals, in accordance with Section 8(a) of the Small Business Act.
03	**Disadvantaged direct.** Awards placed directly with a minority business firm owned and controlled by socially and economically disadvantaged individuals.
04	**Not disadvantaged.** Other large or small businesses that are not considered disadvantaged.

NONPROFIT ORGANIZATION

Code	Contractor
05	**Educational.** An educational institution that is not

State, Federal, or local-government-owned.

06	**Hospital.** A hospital that is not State, Federal, or local-government-owned.
08	**Other nonprofit.** A nonprofit institution or organization that is a corporation, foundation, trust, or institution not organized for profit, and no part of its net earnings is applied to the profit of any private shareholder or individual.

STATE/LOCAL GOVERNMENT

Code	Contractor
09	**Educational.** A State, Federal, or local-government-owned educational institution. (Privately owned educational institutions shall be coded 05.)
10	**Hospital.** A State, Federal, or local-government-owned hospital. (Privately owned hospitals shall be coded 06.)
12	**Other State/local government.** Includes State, Federal, or local-government-owned research organizations.

(p) **Item 17--Award Outside U.S.** Enter "L" for an award to a source outside the U.S. Enter "M" for an award to a source inside the U.S., if the principal place of performance will be outside the U.S. When this item is coded "L" or "M," the PPC code entered in item 14 of the NASA Form 507 must be from the "work outside U.S." category of the PPC matrix.

(q) **Item 18--Extent of competition** (1 position). Enter the appropriate code from the following list (except for non-new-work (within-scope) modifications):

Code	Extent of Competition
2	**Sealed Bid.** Award results from acceptance of a bid in response to a formal invitation for bids or from sealed bidding following an evaluation of technical proposals (two-step sealed bidding). (See FAR Part 14.)
3	**Competed action--SEB.** Competitive offers are solicited from more than one responsible offeror capable of satisfying the Government's requirements wholly or partially; award is based on price, design, or technical competition; and Source Evaluation Board (SEB) procedures are used to evaluate the proposals (see FAR 15.506-2). This code shall also be used if Architect-Engineer Selection Board procedures are used (see FAR 36.603-2).
4	**Other competed action.** Competitive offers are solicited from more than one responsible offeror capable of satisfying the Government's requirements wholly or partially; award is based on price, design, or technical competition; and Source Evaluation Board procedures are not used to evaluate the proposals.
5	**Noncompetitive follow-on to competed action.** The procurement is for the continued development or production of a major system or highly specialized equipment, including major components thereof, that is considered available only from the original source, and it is likely that award to any other source would result in (1) substantial duplication of cost to the Government that is not expected to be recovered through competition, or (2) unacceptable delays in fulfilling NASA's requirements (see FAR 6.302-1(b)(2)).

6 **Other not competed.** Only one offer is solicited and only one offer is received capable of satisfying the Government's requirements wholly or partially; the work involved is not a follow-on procurement reportable under code 5 above. Include awards resulting from unsolicited proposals in this category.

(r) **Item 19--Total estimated cost or fixed price** (11 positions). Enter the total estimated cost or fixed price for all awards. For all cost-reimbursement contracts, enter the total estimated cost, exclusive of fee, as stated in the contract (see FAR Subpart 16.3). For all fixed-price contracts, enter the total fixed price stated in the contract, including the negotiated profit. For time-and-materials and labor-hour contracts, enter the total estimated contract price including profit. On modifications, enter the total cumulative, definitized estimated cost or price and not merely the increase or decrease effected by the respective modification. (The initially reported estimated cost will be overlaid by modification data in the Headquarters FACS system.) Round all entries to the nearest whole dollar. Do not report amounts for priced options which have not been exercised in this field.

(s) **Item 20--Total fee** (11 positions). This item pertains to cost-reimbursement contracts only. Enter the definitized negotiated fee when applicable or available. For incentive contracts, enter the target fee. For award-fee contracts, enter the base fee plus the maximum available award fee. On modifications, enter the total cumulative, definitized fee and not merely the increase or decrease effected by the respective modification. (The initially reported fee will be overlaid by modification data in the Headquarters FACS system.) Round entries to the nearest whole dollar.

(t) **Item 21--Total contract value including options.** Enter the definitized contract value (including maximum potential fee or profit) plus the value of any options (including maximum potential fee or profit) available in the contract. Round entries to the nearest whole dollar.

(u) **Item 22--Type of service or product** (4 positions). Enter the code indicating the principal type of effort or end item obtained under the contract. If more than one classification applies to the procurement, enter the one accounting for the largest dollar volume of procurement. Codes have been established to identify research and development (R&D) procurements, service contracts, and supply and equipment contracts. These codes may be found in the FPDS Product and Service Codes manual located in the procurement administrative office at each NASA installation. Information on the most frequently used R&D codes is presented below.

(1) ***R&D procurement***--R&D codes are used for --

(i) All contracts for R&D work, and

(ii) Most, but not all, contracts with educational institutions.

(2) ***Space R&D*** (first 3 digits)--If the procurement involves space R&D, use one of the following for the first three digits of the four-position code:

R&D Code*	Type of R&D Procurement
AR1	Aeronautics & Space Technology
AR2	Space Science and Applications
AR3	Space Flight
AR4	Space Operations
AR6	Space Station
AR7	Commercial Programs
AR9	Other Space

* *See subparagraph (u)(3) below.*

(3) ***Space R&D*** (fourth digit)--If the procurement involves space R&D, use one of the following for the fourth digit of the four position code. The terms in this list are explained in the following subdivisions:

Code	Meaning
1	Basic Research
2	Applied Research and Exploratory Development
3	Advanced Development
4	Engineering Development
5	Operational Systems Development
6	Management and Support

(i) ***Basic Research***--Includes all scientific effort and experimentation directed toward increasing knowledge and understanding in those fields of the physical, engineering, environmental, social, and life sciences related to long-term national needs. It provides fundamental knowledge ultimately required for the solution of social, economic, political, physical, or military problems. It forms a part of the base for subsequent applied research and exploratory and advanced development in the various disciplines, and new or improved functional capabilities.

(ii) ***Applied Research and exploratory development*** --Includes all effort directed toward the solution of specific problems, short of major development projects. This type of effort may vary from fairly fundamental applied research to quite sophisticated breadboard hardware, study, programming, and planning efforts. It thus includes investigations and minor development effort. The dominant characteristic of this category of effort is that it be pointed toward specific problem areas with a view toward developing and evaluating the feasibility and practicability of proposed solutions and determining their parameters.

(iii) ***Advanced development***--Includes all effort directed toward projects which have moved into the development of hardware for test. The prime result of this type of effort is proof of design concept and/or prototype.

(iv) ***Engineering development***--Includes those projects in full-scale engineering development for Government use but which have not yet received approval for production or had production funds included in the budget submission for the current or subsequent fiscal year. This area is characterized by major line-item projects.

(v) ***Operational systems development***--Includes those projects still in full-scale engineering development but which have received approval for production, or production funds have been included in the budget submission for the current or subsequent fiscal year.

(vi) ***Management and support***--Includes all effort directed toward support of installations or operations required for general research and development. Included would be construction of a general nature unrelated to specific programs, maintenance support of laboratories, operation and maintenance of test ranges, and maintenance and support of test aircraft, equipment, or ships. Costs of laboratory personnel, either in-house or contractor, would be assigned to appropriate projects or program areas above.

(v) **Item 23--Contract physically complete** (1 position). Enter "Y" (yes) if the contract is physically complete, i.e., after all articles and services called for under the contract, including such related items as reports, spare parts, and exhibits, have been delivered to and accepted by the Government (see FAR 4.804-4). Otherwise, this field should be left blank.

(w) **Item 24--Modification obligations** (11 positions). Enter the modification dollar increase or decrease of the contract. Round the entry to the nearest dollar.

(x) **Item 25--Labor surplus area award** (1 position). "Y" or "N" to indicate whether the award is to a concern in a labor surplus area (see FAR Subpart 20.1).

(y) **Item 26--FSS/Indefinite-delivery/ BOA contract no.** (15 positions). Enter the Federal Supply Schedule (FSS), indefinite-delivery, or basic ordering agreement (BOA) contract number under which a delivery order has been placed if Item 15 (Kind of Action) is coded 23, 24, 25, or 26.

(z) **Item 27--Description of contract/ modification** (narrative).

(1) In the "Description of Contract/Modification" block, enter a brief description of the end item or services being procured. For modifications, enter a brief description of the purpose.

(2) In the "Prepared By" block, type the name or provide the signature of the contracting officer or representative responsible for the data being reported.

(3) In the "Date" block, enter the date the report was prepared.

(4) In the "Supplement Attached" block, check "yes" or "no" to indicate whether the Individual Procurement Action Report Supplement (NASA Form 507A) is being completed and submitted with the NASA Form 507.

(aa) **Item 28--CICA applicability** (1 position).

(1) ***Pre-CICA: Code 1*** Enter if the contract action is a new contract resulting from a solicitation issued before April 1, 1985, irrespective of the award date. All within-scope modifications to such contracts and new-work modifications resulting from solicitations issued before April 1, 1985, are to be reported by this code.

(2) ***Post-CICA: Code 2*** Enter if the contract action is a new contract resulting from a solicitation issued on or after April 1, 1985. All modifications to such contracts are to be reported by this code.

(bb) **Item 29--Proposed procurement synopsized** (1 position). Enter "Y" if the procurement was synopsized prior to award in the Department of Commerce's Commerce Business Daily. Enter "N" if the procurement was not synopsized, except enter "U" if the procurement was not synopsized because of urgency.

(cc) **Item 30--Contract type** (2 positions).

(1) Enter the code that identifies the type of contract from the following list:

Code	Contract Type
01	Fixed-Price, Firm (FAR 16.202 and 16.207). (Include Firm Fixed-Price, level-of-effort term contracts in this category.)
02	Fixed-Price, Redetermination (FAR 16.205).
03	Fixed-Price with Economic Price Adjustment (FAR 16.203).
04	Fixed-Price Incentive (FAR 16.204).
05	Cost (No Fee) (FAR 16.302).
06	Cost-Sharing (FAR 16.303). (The estimated cost reported shall include only the Government's share.)
07	Cost-Plus-Fixed-Fee (FAR 16.306).
08	Cost-Plus-Incentive-Fee (FAR 16.304).
09	Time-and-Materials (FAR 16.601).
10	Labor-Hour (FAR 16.602).
12	Cost-Plus-Award-Fee (FAR 16.305).

(2) Combination contract types shall be reported as follows:

(i) Where the contract has one type of incentive arrangement applying to cost performance and another to technical and/or schedule performance, report the contract type assigned to the cost-incentive feature; e.g., a contract providing a cost-plus-incentive-fee arrangement on cost and an award fee arrangement on technical and/or schedule performance will be reported as "Code 08 --Cost-Plus-Incentive-Fee."

(ii) Where one or more items of work are priced exclusively under one of the arrangements coded above, with one or more additional items priced exclusively under another such arrangement, report the contract type in accordance with the code assigned to the arrangement under which the predominate dollar amount will be spent.

(dd) **Item 31--No. of offerors solicited** (3 positions). Enter the number of firms to which solicitations were provided.

(ee) **Item 32--Number of offers received** (3 positions). Enter the actual number of offers received in response to the solicitation.

(ff) **Item 33--Solicitation procedures** (1 position). This item pertains to the requirements of FAR Subparts 6.1 (Full and Open Competition), 6.2 (Full and Open Competition After Exclusion of Sources), and 6.3 (Other Than Full and Open Competition), with the exception of the statutory authorities for other than full and open competition (Subpart 6.3), which are reported in Item 34. Codes "A" through "L" designate the competition alternatives described in FAR Part 6. Delivery-order contract actions under indefinite-delivery contracts shall be reported the same as the initial contract when the following criterion, in FAR 6.001(e), is met: They are orders placed under indefinite-delivery contracts that were entered into pursuant to FAR Part 6, and either the contract was awarded under Subpart 6.1 or 6.2 and all responsible sources were realistically permitted to compete for the requirements contained in the order, or the contract was awarded under Subpart 6.3 and the required justification and approval adequately covers the requirements contained in the order.

(1) ***Code A--Full and open competition sealed bid*** is entered when the sealed bidding (see FAR 6.401(a)) method of contracting was used.

(2) ***Code B--Full and open competition--competitive proposal*** is entered when the FAR Part 15, Contracting by Negotiation, procedures were used for a competitive solicitation.

(3) ***Code C--Full and open competition--combination*** is entered when any combination of competitive procedures (e.g., two-step sealed bidding) was used (see FAR 6.102(c)).

(4) ***Code D--Architect-engineer*** is entered if the action resulted from selection of sources for architect-engineer (A&E) contracts in accordance with P.L. 92-582 and procedures in FAR Subpart 36.6 (see FAR 6.102(d)(1)). The selection of a potential A&E contractor is made by an A&E Evaluation Board conducted in accordance with 41 U.S.C. 541 et seq. This selection process is considered a competitive procedure and shall be reported as a competitive award. When award is an A&E contract and was a result of a small business set-aside or labor surplus area set-aside, use code K in lieu of this code.

(5) ***Code E--NASA Research Announcement/Announcement of Opportunity*** is entered if the action resulted from competitive selection of basic research proposals as a result of (i) a broad agency announcement (NASA Research Announcement or Announcement of Opportunity) that is general in nature identifying areas of research interest, including criteria for selecting proposals, and soliciting the

participation of all offerors capable of satisfying the Government's needs and (ii) a peer or scientific review (see FAR 6.102(d)(2)).

(6) ***Code F--Multiple-award schedule*** is entered if the action is an order issued against a multiple-award schedule using the procedures in FAR 8.405-1 (see FAR 6.102(d)(3)). This code shall be used for multiple-award schedule contracts (mandatory or optional). This code may be used for ADP procurements, unless the solicitation utilized make-or-model specifications. Use of the multiple-award schedule program is considered to be a competitive procedure because competitive procedures were used by GSA to make the basic multiple-award schedule contract awards under 41 U.S.C. 259(b)(3)(A). For reporting purposes, an order issued against a multiple-award schedule shall be reported as a competitive award.

(7) ***Code G--Alternate source--reduced cost*** is entered if the action was taken pursuant to FAR 6.202(a)(1), which states that agencies may exclude a particular source from a contract action in order to establish or maintain an alternative source or sources for the supplies or services being acquired if the agency head determines that to do so would increase or maintain competition and likely result in reduced overall costs for the acquisition, or for any anticipated acquisition of such supplies or services.

(8) ***Code H--Alternate source--mobilization*** is entered if the action was taken pursuant to FAR 6.202(a)(2), which states that agencies may exclude a particular source from a contract action in order to establish or maintain an alternative source or sources for the supplies or services being acquired if the agency head determines that to do so would be in the interest of national defense in having a facility (or a producer, manufacturer, or other supplier) available for furnishing the supplies or services in case of a national emergency or industrial mobilization.

(9) ***Code J--Alternate source--engineering/R&D capability*** is entered if the action was taken pursuant to FAR 6.202(a)(3), which states that agencies may exclude a particular source from a contract action in order to establish or maintain an alternative source or sources for the supplies or services being acquired if the agency head determines that to do so would be in the interest of national defense in establishing or maintaining an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center.

(10) ***Code K--Set-asides*** is entered if the action resulted from use of procedures for set-asides pursuant to FAR 6.203. This includes small business set-asides, labor surplus area set-asides, or combinations thereof. This code also includes contract actions under the Small Business Innovation Research (SBIR) Program established under Pub. L. 97-219. Do not use this code for 8(a) awards (see Code "L" below).

(11) ***Code L--Other than full and open competition*** is entered if the action resulted from use of other than full and open competition pursuant to 10 U.S.C. 2304(c). The conditions or exceptions permitting contracting without providing for full and open competition are prescribed in FAR 6.302. Enter this code if the award is made under the authority of Section 8(a) of the Small Business Act (see FAR Subpart 19.8). This code shall also be used for all ADP procurements where the solicitation utilized make-and-model specifications.

(gg) **Item 34--Authority for other than full and open competition.** When Item 33 is coded "L," then this item must be completed. Enter the applicable code from the categories listed below. This item identifies the solicitation process and not the extent of competition obtained.

1) *Code A--Unique source* is entered when the contract action is under 10 U.S.C. 2304(c)(1) and the agency's minimum needs can only be satisfied by unique supplies or services available from only one source or only one supplier with unique capabilities (see FAR 6.302-1(b)(1)).

(2) *Code B--Follow-on contract* is entered when the contract action is under 10 U.S.C. 2304(c)(1) and it is likely that the award of follow-on contracts must be to the original source because award to any other source would result in (i) substantial duplication of cost to the Government that is not expected to be recovered through competition or (ii) unacceptable delays in fulfilling the agency's requirements (see FAR 6.302-1(a)(2)(ii)).

(3) *Code C--Unsolicited research proposal* is entered when the contract action is under 10 U.S.C. 2304(c)(1) as the result of acceptance of an unsolicited research proposal that demonstrates a unique and innovative concept, the substance of which (i) is not otherwise available to the Government and (ii) does not resemble the substance of a pending competitive acquisition (see FAR 6.302-1(a)(2)(i)).

(4) *Code D--Patent/data rights* is entered when the contract action is under 10 U.S.C. 2304(c)(1) because the existence of limited rights in data, patent rights, copyrights, or secret processes; the control of basic raw material; or similar circumstances make the supplies and services available from only one source (see FAR 6.302-1(b)(2)).

(5) *Code E--Utilities* is entered when (i) the contract action is under 10 U.S.C. 2304(c)(1) when acquiring electric power or energy, gas (natural or manufactured), water, or other utility services and circumstances dictate that only one supplier can furnish the service or (ii) the contemplated contract is for construction of a part of a utility system and the utility company itself is the only source available to work on the system (see FAR 6.302-1(b)(3)).

(6) *Code F--Standardization* is entered when the contract action is under 10 U.S.C. 2304(c)(1) because the agency head has determined under the agency's standardization program that only specified makes and models of technical equipment and parts will satisfy the agency's needs for additional units or replacement items and only one source is available (see FAR 6.302-1(b)(4)).

(7) *Code G--Only one source--other* is entered when the contract action is under 10 U.S.C. 2304(c)(1) to a single source and codes "A" through "F" above do not apply (see FAR 6.302-1(b)).

(8) *Code H--Urgency* is entered when the contract action is under 10 U.S.C. 2304(c)(2) because (i) an unusual and compelling urgency precludes full and open competition and (ii) delay in award of a contract would result in serious injury, financial or other, to the Government (see FAR 6.302-2(b)).

(9) *Code J--Mobilization* is entered when the contract action is under 10 U.S.C. 2304(c)(3) to a particular source or sources in order to maintain a facility, producer, manufacturer, or other supplier available for furnishing supplies or services in case of a national emergency or to achieve industrial mobilization (see FAR 6.302-3(b)(1)).

(10) *Code K--Essential R&D capabilities* is entered when the contract action is under 10 U.S.C. 2304(c)(3) to a particular source or sources in order to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center (see FAR 6.302-3(b)(2)).

(11) *Code L--International agreement* is entered when the contract action is under 10 U.S.C. 2304(c)(4) because

full and open competition is precluded by (i) the terms of an international agreement or treaty between the United States and a foreign government or international organization or (ii) the written directions of a foreign government reimbursing the agency for the cost of the acquisition of the supplies or services (see FAR 6.302-4).

(12) *Code M--Authorized by statute* is entered when the contract action is under 10 U.S.C. 2304(c)(5) because a statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source (see FAR 6.302-5(a)(2)(i)). This code should be used for 8(a) awards.

(13) *Code N--Authorized resale* is entered when the contract action is under 10 U.S.C. 2304(c)(5) for a brand-name commercial item for resale through commissaries or other similar facilities (see FAR 6.302-5(a)(2)(ii)).

(14) *Code P--National security* is entered when the contract action is under 10 U.S.C. 2304(c)(6) because disclosure of the Government's needs would compromise the national security (see FAR 6.302-6).

(15) *Code Q--Public interest* is entered when the contract action is under 10 U.S.C. 2304(c)(7) because the agency head has determined that full and open competition is not in the public interest in the particular acquisition concerned (see FAR 6.302-7).

(hh) **Item 35--Labor statutes** (1 position). Enter the appropriate code, in accordance with the provisions of the contract, from the following list:

Code	Statutory Requirements
N	Not subject to statutory requirements listed below.
1	Subject to Walsh-Healey Act, manufacturer (FAR 22.606-1).
2	Subject to Walsh-Healey Act, regular dealer (FAR 22.606-2).
3	Subject to Service Contract Act (FAR Subpart 22.10).
4	Subject to Davis-Bacon Act (FAR 22.403-1).

(ii) **Item 36--Standard Industrial Classification (SIC) Code** (4 positions). Enter the code identifying the industry category within which the principal (determined by the predominance of dollars awarded) product produced or distributed or services rendered would best fit. Industry categories are published in the Standard Industrial Classification Manual maintained and issued by the Office of Management and Budget (OMB). A listing of the SIC codes, without the detailed lists of products and services falling within each category, can be found at FAR 19.102(g).

(jj) **Item 37--Contract administration delegated** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether any contract administration functions have been delegated to another Government agency (see FAR Subpart 42.2).

(kk) **Item 38--Preference program.** Report the code that represents the preference program used in making the award. Report Code H if no preference program applies or the preference program is not otherwise listed.

(1) *Code A--Directed to sheltered workshops.* Report this code for an award to a workshop for the blind or a workshop for the other severely handicapped pursuant to FAR 8.7.

(2) *Code B--8(a) Program.* Report this code for actions with the Small Business Administration pursuant to FAR 19.8.

(3) *Code C--Combined labor surplus/ small business set-aside.* Report this code for a combined labor surplus area and small business set-aside award made to a small business concern pursuant to FAR 19.5.

(4) *Code D--Small business set-aside.* Report this code for a small

business set-aside (including Small Business Innovation Research (SBIR)) award made pursuant to FAR 19.5.

(5) ***Code E--Labor surplus area set-aside.*** Report this code for a labor surplus area set-aside award made pursuant to FAR 20.2.

(6) ***Code F--Tie-bid preference.*** Report this code for all tie-bid preference awards (see FAR 19.202-3) made pursuant to FAR 19.5.

(7) ***Code H--No preference program.*** Report this code if the award is not made pursuant to a preference program, or if the preference program is not listed above.

(ll) **Item 39--Advisory/Assistance services contract** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether the contract is for advisory and assistance services (formerly known as consulting services).

(mm) **Item 40--Support services type contract** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether the contract is for support services. Compare the following explanations with the procurement in question in determining how to code this item:

(1) ***In-house contract support*** --

(i) Provides a service to the installation;

(ii) Is performed on or near the installation;

(iii) Is continuous in nature;

(iv) Is not provided by the prime product development contractor when the work is for the purpose of fulfilling the prime contract;

(v) Is characterized as that support necessary because of the on- or near-site population and activated facilities (housekeeping maintenance and operation function) and the effort necessary to support the research, development, or test efforts the installation performs in-house; and

(vi) Excludes --

(A) Construction, alteration, and repair;

(B) Purchase and incidental services;

(C) Prime product development contracts;

(D) Operations support contracts; and

(E) Tenants.

(2) ***Operations support contracts.*** This is work performed on- or near-site because of the location of major operations facilities. (This is the effort associated with carrying out mission operations; it is done on-site because that is where the supported facility is--a launch pad, mission control center, or tracking station.) Tracking operations support contractors are subdivided as on-site (at or near GSFC or JPL) or off-site.

(i) Operations support contractors are restricted to major national operations facilities and the following foreign and domestic tracking network stations:

(A) JPL-Mission Control Center (DSN)

(B) Goldstone

(C) Mesa Antenna Range

(D) JSC-Mission Control Center (MSF)

(E) GSFC-Mission Control Center (STDN)

(F) World-Wide Network Tracking Stations

(G) OTDA-Operations Funded Support

(H) KSC-Launch Complex 39 and related support facilities.

(ii) Operations support includes support funded by STS operations at MSFC, KSC, and JSC.

(3) ***Purchased and/or incidental services.***

(i) Purchased services are those obtained by --

(A) Delivery orders against Federal Supply Schedules;

(B) Purchase orders;

(C) Blanket purchase agreements; or

(D) Basic ordering agreements not exceeding $25,000 per order.

(ii) Incidental services are --

(A) Described in terms of the labor required to perform the services;

(B) Procured from vendors that provide similar services to the local community;

(C) Those for which the vendor provides all or a substantial amount of the capital investment required to perform the work under the contract; and

(D) Rendered under small contracts generally not exceeding four-to-five staff-years per year.

(nn) **Item 41--Cost Accounting Standards clause** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether the contract contains the Cost Accounting Standards clause (see FAR 30.201-4).

(oo) **Item 42--New technology or patent rights clause** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether a new technology or patent rights clause is included in the contract. (See 18-27.373). A "Y" entry for contracts with small businesses, nonprofit organizations, and educational institutions will indicate a patent rights clause. A "Y" entry for contracts with large businesses will indicate a new technology clause.

(pp) **Item 43--Subcontracting program plan** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether the contract contains a subcontract plan requiring the contractor to furnish the information prescribed on Standard Forms 294 and 295 (see 18-4.674 and FAR 19.702). Enter "W" (waiver) when there are no subcontracting opportunities, for contracts performed entirely outside the United States, and for GSA Federal Supply Schedule contracts containing plans. Use Code "Y" for corporate plans with individual contract goals.

(qq) **Item 44--SBIR award** (1 position). Enter Code "N" (no) if the contract action is not in support of the Small Business Innovation Research (SBIR) Program (P.L. 97-219). Enter Code "1" if the contract action is related to a Phase I contract in support of the program. Enter Code "2" if the contract action is related to a Phase II contract in support of the program.

(rr) **Item 45--Woman-owned small business** (1 position). Enter "Y" (yes) or "N" (no) to indicate whether the business concern is a woman-owned small business (see FAR 19.9).

(ss) **Item 46--Contract for foreign government or international organization.** Enter "Y" (yes) if a foreign government or international organization is bearing any part of the cost of the action. Otherwise, enter "N" (no).

(tt) **Item 47--Management reporting requirements (MRR): correlated cost and performance data reporting** (1 position). Enter one of the following codes (see NHB 9501.2):

Code	Reporting Required
N	None required
2	NASA Form 533M only
3	NASA Forms 533M and 533Q
4	NASA Forms 533M and 533P
5	NASA Forms 533P and 533Q
6	NASA Forms 533M, 533P, and 533Q

(uu) **Item 48--Management reporting requirements (MRR): property and space hardware reporting** (1 position). Enter one of the following codes (see FAR 45.505-11):

Code	Reporting Required
N	None required
2	NASA Form 1018, without space hardware
3	NASA Form 1018, with space hardware

(vv) **Item 49--Trade data** (3 blocks).

(1) First block--number of bidders offering foreign item (1 position). Enter one numeric code (0-9) to indicate the number of firms that offered foreign end products. An entry is required regardless of whether the Buy American Act is invoked or not. If none, enter "0". If 9 or more, enter "9".

(2) Second block--Percent difference (2 positions). If the evaluation factor under the Buy American Act is used and results in award to a firm offering a domestic product, enter the percentage difference between the award price and that of the low firm offering a foreign end product, computed before application of the Buy American Act differential, i.e., the difference divided by the price of the low firm offering a foreign end product. Enter the percentage as a whole number. If the evaluation factor under the Buy American Act is not used, enter "00."

(3) Third block--Country of manufacturer (2 positions). If the product is manufactured, mined, or grown in the United States (the 50 states and the District of Columbia) or the service is performed by a U.S. contractor, enter "US". If the product is manufactured, mined, or grown in a foreign country, enter the code from FIPS PUB 10-3 of that country/area. In the case of a service, if the service is performed by a foreign contractor, enter the code from FIPS PUB 10-3 of that country/area. This publication may be obtained from the Headquarters Office of Procurement, Procurement Management Division (Code HM).

18-4.671-5 Special coding for certain procurements.

(a) **New intragovernmental basic procurement.** The following items must be completed on NASA Form 507 (all other items must be blank):

Item No.	Title
1	Type of Record (N)
2	Contract/Purchase Order Number
4	Accounting Installation Number
5	Procuring Installation Number
6	CIC Number
7	Contractor Name
8	Contractor Division (when applicable)
9	Contractor Address
10	Place of Performance - City
11	Place of Performance - State and Zip Code
12	Contract Award Date
13	Completion Date
14	Procurement Placement Code (98)
15	Kind of Action (05)
19	Total Est. Cost or Fixed Price
22	Type of Service or Product
23	Contract Physically Complete (when applicable)
27	Description of Contract

(b) **New grants, cooperative agreements, and Space Act agreements.** The following items must be completed on NASA Form 507 (all other items must be blank):

Item No.	Title
1	Type of Record (N)
2	Grant/Cooperative Agreement/ Space Act Agreement Number
4	Accounting Installation Number
5	Procuring Installation Number
6	CIC Number
7	Contractor Name
8	Contractor Division (when applicable)
9	Contractor Address

10	Place of Performance - City
11	Place of Performance - State and Zip Code
12	Contract Award Date
13	Completion Date
14	Procurement Placement Code (ST, WT, SX, WX, SW, or WW)
15	Kind of Action (06 or 21)
16	Contractor Type (05-12)
18	Extent of Competition (6)
19	Total Est. Cost or Fixed Price)
22	Type of Service or Product
23	Contract Physically Complete (when applicable)
25	Labor Surplus Area Award
27	Description of Grant, Cooperative Agreement, or Space Act Agreement

(c) **New basic orders under mandatory and optional (nonmandatory) GSA Federal Supply Schedule contracts.** The following items must be completed :

Item No.	Title
1	Type of Record (N)
2	Contract/Purchase Order Number
4	Accounting Installation Number
5	Procuring Installation Number
6	CIC Number
7	Contractor Name
8	Contractor Division (when applicable)
9	Contractor Address
10	Place of Performance - City
11	Place of Performance - State and Zip Code
12	Contract Award Date
13	Completion Date
14	Procurement Placement Code (AY, BY, FY, KY) (ADP special make or model use DL, DO, NL, or NO)
15	Kind of Action (23 or 24)
16	Contractor Type (03 or 04)
18	Extent of Competition (2 or 4) (ADP special make or model use 6)
19	Total Est. Cost or Fixed Price
22	Type of Service or Product
23	Contract Physically Complete (when applicable)
24	Modification Obligations (when applicable)
25	Labor Surplus Area Award
26	FSS Contract No.

(d) **Reportable modifications.** Only the following items need be completed on NASA Form 507:

Item No.	Title
1	Type of Record (N)
2	Contract/Grant Number
3	Modification Number
4	Accounting Installation Number
5	Procuring Installation Number
12	Modification Date
13	Completion Date (when applicable)
14	Procurement Placement Code (required if Item 15 is coded 07)
15	Kind of Action (07-15)
18	Extent of Competition (required when Item 15 is coded 07)
19	Total Est. Cost or Fixed Price (when applicable)
20	Total Fee (when applicable)
21	Total Contract Value Incl. Options (when applicable)
23	Contract Physically Complete (when applicable)
24	Modification Obligations (when applicable)
27	Description of Modification
28	CICA Applicability (required if Item 15 is coded 07)
29	Proposed Procurement Synopsized (when applicable)
30	Contract Type (when applicable)
31	No. of Offerors Solicited (when applicable)
32	No. of Offers Received (when applicable)
33	Solicitation Procedures (when applicable)

34	Authority for Other Than Full and Open Competition (when applicable)
37	Contract Administration Delegated (when applicable)
41	Cost Accounting Standards Clauses (when applicable)
43	Subcontracting Program Plan (when applicable)
47	MRR: Cost and Performance Reporting (when applicable)
48	MRR: Property and Space Hardware Reporting (when applicable)

(e) **Corrections.** Only the following items, plus items to be corrected, need to be completed on NASA Form 507:

Item No.	Title
1	Type of Record (C)
2	Contract/Grant Number
3	Modification Number (when applicable)
4	Accounting Installation Number

If an item needs to be corrected to a blank, enter asterisks to fill the item field.

18-4.671-6 Special procurement placement codes (PPC's) for certain procurements.

(a) The accounting copies for all procurements of $25,000 or less from "Disadvantaged Business Firms-Direct" shall be coded with the second letter "M" in the PPC; e.g., BM or KM.

(b) The accounting copies for all procurements of $25,000 or less from "Women-Owned Business Firms" shall be coded with the second letter "W" in the PPC; e.g., BW or KW.

(c) All procurement awards over $25,000 and the accounting copies for procurement actions of $25,000 or less (no NASA Form 507 is required) placed through the Small Business Administration with a disadvantaged business firm under Section 8(a) of the Small Business Act shall be coded with PPC "PS."

(d) All procurement awards funded through the Small Business Innovation Research (SBIR) Program shall be coded with PPC "HS."

(e) The accounting copies for all procurements of $1,000 or less shall be coded with PPC's CC, EC, HC, IC, LC, MC, OC, PC, VC, or ZC.

18-4.671-7 Procurement placement codes (PPC's).

Table 18-4-1 is the PPC matrix containing alpha codes required for coding all procurements. The codes apply to Item 14 on NASA Form 507 and are used to identify post-CICA procurements, the type of solicitation process used, and the extent of competition for the procurement.

18-4.672 Report on NASA Subcontracts clause.

(a) NASA Form 667, Report on NASA Subcontracts, is used to obtain information relating to the geographic distribution of subcontracts awarded under certain NASA contracts.

(b) The clause at 18-52.204-70, Report on NASA Subcontracts, shall be inserted in all NASA contracts of $500,000 or more or when a modification increases the amount of a contract to $500,000 or more. In the latter instance, the clause will be inserted at the time of the modification but will not be retroactive so as to require the reporting of subcontracts awarded previously.

18-4.674 Subcontracting report.

Standard Forms 294, Subcontracting Report for Individual Contracts, and 295, Summary Subcontract Report, are used to obtain data to provide a basis for evaluating the effectiveness and extent of subcontracting programs involving small and small disadvantaged business concerns pursuant to the Small Business Act of 1958, as amended by Public Law 95-507. (See FAR 19.708(b).)

18-4.675 NASA contractor financial management reporting.

When financial management reporting on the NASA Form 533 series of reports is required (see NMI 9501.1, "NASA Contractor Financial Management Reporting System"), this requirement shall be detailed in the procurement request, and the reporting shall be required by inclusion of the appropriate clause or clauses prescribed in 18-4.675-1.

18-4.675-1 Contractor financial management reporting.

(a) The clause at 18-52.204-71, NASA Contractor Financial Management Reporting, shall be used when any of the NASA Form 533 series of reports are required from the contractor.

(b) The clause at 18-52.204-72, NASA Contractor Financial Management Reporting (Performance Analysis Report), shall be used in conjunction with the clause at 18-52.204-71 when the optional Monthly Performance Analysis Report is also required from the contractor.

18-4.676 Committee on Academic Science and Engineering (C.A.S.E.) Report.

NASA Form 1356, C.A.S.E. Report on College and University Projects, shall be prepared for awards to nonprofit institutions of higher education or to nonprofit institutions that are operationally affiliated or integrated with an educational institution. Information on this form is used to produce reports required by the National Science Foundation and to respond to inquiries. Submission is required regardless of instrument type (contract, grant, or cooperative agreement) and type of proposal (solicited or unsolicited). Instructions appear on the form itself and constitute the detailed guidance for preparation and submission. The form, which is either included with the acquisition package or initiated by the contracting office, shall be completed, reviewed, and promptly forwarded upon award to the Educational Affairs Division, University Programs Office, NASA Headquarters (Code XEU).

The next page is 4-6:21

TABLE 18-4-1
POST-CICA PROCUREMENT PLACEMENT CODE MATRIX

	TYPE OF PROCUREMENT REPORTING $ LEVELS: IPAR REQUIRED (NF-507) $1 AND OVER: ALL CONTRACTS, GRANTS, AGREEMENTS AND CONSULTANT SERVICE PURCHASE ORDERS. $25K & OVER: AWARDS TO OTHER GOVERNMENT AGENCIES AND DELIVERY ORDERS FOR ORDERING SUPPLIES AND SERVICES. MODIFICATIONS TO CONTRACTS.	SOLICITATION PROCESS																
		FULL AND OPEN COMPETITION	COMPETITION AFTER EXCLUSION OF SOURCES		OTHER THAN FULL AND OPEN COMPETITION 10 U.S.C. 2304(c)							GRANTS	SPACE ACT AGREEMENTS	COOPERATIVE AGREEMENTS	INTRAGOVERNMENTAL	SMALL PURCHASES LESS THAN $1000	SMALL PURCHASES MORE THAN $1000	MISCELLANEOUS
			ALTERNATIVE SOURCE	SET-ASIDES	(1) ONLY ONE RESP. SOURCE	(2) URGENCY	(3) MOBILIZATION OR R&D	(4) INTERNATIONAL AGREEMENT	(5) AUTHORIZED BY STATUTE	(6) NATIONAL SECURITY	(7) PUBLIC INTEREST							
EXTENT OF COMPETITION	LARGE BUSINESS																	
	Sealed Bid—Non FSS	AX	AE	AF	AL	AO	AP	AQ	AU	AV	AZ							
	Sealed Bid—FSS	AY																
	Neg. Competitive—Non FSS	BX	BE	BF	BL	BO	BP	BQ	BU	BV	BZ					CC	EC	
	Neg. Competitive—FSS	BY																
	Neg. Noncompetitive				DL	DO	DP	DQ	DU	DV	DZ					EC	DC	
	SMALL BUSINESS																	
	Sealed Bid—Non FSS	FX	FE	FF	FL	FO	FP	FQ	FU	FV	FZ							
	Sealed Bid—FSS	FY																
	Set-Asides —Negotiated			GF														
	SBIR			HS														
	Neg. Competitive—Non FSS	KX	KE		KL	KO	KP	KQ	KU	KV	KZ					HC	KC	
	Neg. Competitive—FSS	KY																
	Neg. Noncompetitive				NL	NO	NP	NQ	NU	NV	NZ					IC	NC	
	SBA 8(a)								PS									
	UNIVERSITIES																	
	Sealed Bid	OX			OL	OO	OP	OQ	OU	OV	OZ							
	Neg. Competitive	RS	RE		RL	RO	RP	RQ	RU	RV	RZ					LC	RC	
	Neg. Noncompetitive				SL	SO	SP	SQ	SU	SV	SZ	ST	SW	SX		MC	SC	
	OTHER NON-PROFIT																	
	Sealed Bid	UX			UL	UO	UP	UQ	UU	UV	UZ							
	Neg. Competitive	TX	TE		TL	TO	TP	TQ	TU	TV	TZ					OC	TC	
	Neg. Noncompetitive				WL	WO	WP	WQ	WU	WV	WZ	WT	WW	WX		PC	WC	
	WORK OUTSIDE U.S.																	
	Sealed Bid	ZX	ZE	ZD	ZL	ZO	ZP	ZQ	ZU	ZV	ZZ							
	Neg. Competitive	XX	XE	XD	XL	XO	XP	XQ	XU	XV	XZ					VC	XC	
	Neg. Noncompetitive				YL	YO	YP	YQ	YU	YV	YZ					ZC	YC	
	INTRAGOVERNMENTAL														98			
	MISCELLANEOUS		(Reserved for Accounting Transactions—Do Not Cite on Proc. Documents)															99

All small purchase order awards less than $1,000 (No NF-507 required) shall cite one of the codes listed under "Small Purchases Less Than $1,000" on copy submitted to Accounting.
All small purchase order awards more than $1,000 but under $25,000 (No NF-507 required) shall cite one of the codes listed under "Small Purchases More Than $1,000" on copy submitted to Accounting.
All small purchase order awards under $25,000 (No NF-507 required) to "Disadvantaged Business Firms—Direct" shall cite PPC with second letter "M" on copy submitted to Accounting.
All small purchase order awards under $25,000 (No NF-507 required) to "Women-owned Firms" shall cite PPC with a second letter "W" on copy submitted to Accounting.

SUBPART 18-4.8
CONTRACT FILES

18-4.802 Contract files.

The cognizant NASA contracting office shall maintain the contract administration file unless contract administration functions have been delegated under FAR Subpart 42.1.

18-4.802-70 Handling of classified material.

When the bulk of the material concerning a contract is unclassified, classified material relating to that contract shall be maintained in a separate file folder and container, and the unclassified folder shall be marked or cross-referenced to indicate the location of the classified material. The front and back of each folder containing classified material shall be marked with the highest classification assigned to any document in the folder.

18-4.802-71 Filing of documents.

(a) Documents relating to a specific contract or described in FAR 4.803(a), (b), or (c) should normally be placed in chronological order in an "OFFICIAL FILE" folder or folders. Each folder shall be marked or labeled with the contract number and, when more than one folder is required for the same contract, with information as to the file segment. However, documents regarding quality assurance and property may be maintained in separate files to facilitate possible early disposal. Other identifying data, such as the contractor's name, should be added only when needed to facilitate filing and locating.

(1) When a single folder is used, basic procurement documents and all modifications ordinarily should be filed on the left side and all other material on the right. As volume warrants, a contract file may be subdivided further, either within the folder or by using additional folders, as appropriate (e.g., by pre-contract documents, basic contract, contract modifications, termination documents, quality assurance and progress and production surveillance, property administration and plant clearance, termination documents, and general correspondence).

(2) When it is impractical to file certain documents in the official contract folder because of their bulk or use, they may be maintained separately in other suitable containers but shall be handled as "OFFICIAL FILES" and cross-referenced in the contract file.

(3) Documents relating to more than one contract may be filed in one contract file and cross-referenced in the others; otherwise enough copies must be reproduced to provide for filing one in each related contract file. Other pertinent documents of a more general nature may be filed separately in the contractor "general" file and cross-referenced in the contract file.

(b) Documents described in FAR 4.801(c)(3) and relating generally to the contractor rather than to a specific contract shall be placed in a folder labeled with the contractor's name. When necessary, additional folders may be used and the material subdivided by subject (e.g., general, production, termination, property control, and performance).

18-4.802-72 Arrangement of files.

(a) Contract file folders normally should be arranged numerically by contract serial number. When special circumstances warrant, contract folders may be arranged alphabetically by contractor's name.

(b) Contractor "general" file folders shall be arranged alphabetically by name of the contractor.

18-4.803 Contents of contract files.

18-4.803-71 Checklist.

NASA Form 1098, Checklist for Contract Award File Content, shall be used as the "top page" in contract files. The form is intended as a reminder of the required or most important documents in the file. It also provides a uniform tab-numbering system. Only the most frequently occurring documents are listed. Therefore, space is provided for writing in additional documents applicable to specific contracts or resulting from local guidelines. The user is cautioned that completion of the NASA Form 1098, in and of itself, does not establish that all contract actions have been taken and/or properly documented.

18-4.804 Closeout of contract files.

18-4.804-2 Closeout of the contracting office files if another office administers the contract.

(a) Upon receiving the NASA Form 1611, Contract Completion Statement, from the contract administration office and complying with FAR 4.804-2(b), the contracting officer shall complete Item 10 of the NASA Form 1611.

(b) The date in Item 9d of NASA Form 1611 shall be used as the closeout date for file purposes, except that the date in Item 10e shall be used when completion of any pending significant contracting office action extends more than 3 months beyond the date shown in Item 9d.

18-4.804-5 Detailed procedures for closing out contract files.

(a) When the contracting office retains contract administration (excluding small purchases), it shall use, as necessary, NASA Form 1612, Contract Closeout Checklist, and DD Form 1593, Contract Administration Completion Record, to ensure that the applicable actions at FAR 4.804-5(a) are completed.

(b) Upon completion of the forms specified in paragraph (a) above, the contracting officer shall use NASA Form 1611, Contract Completion Statement, for all contracts exceeding $25,000. This will satisfy the requirements of FAR 4.804-5(b). For contracts $25,000 and under, the contracting officer shall file a signed statement that all contract actions are complete.

18-4.805 Disposal of contract files.

See NHB 1441.1, NASA Records Disposition Handbook.

18-4.805-70 Review, separation, and retirement of contract files.

(a) **Review of contract case and cross reference locator files.** Upon determination of contract completion under the procedures outlined in 18-4.804, each office shall review all files pertaining to the individual contract, as follows:

(1) *Duplicate or working contract case file.* Remove any original or official file copies of documents and place them in the appropriate official file; destroy immediately any remaining material or segregate and mark it for early disposal.

(2) *Official contract case file.* Remove the folders for completed

contracts from the active file series, mark each folder or folder tab with "Completed (Date)", and place the folder in a completed (inactive) contract file series. Separate series should be established for contracts of $25,000 or less and for contracts of more than $25,000, to facilitate later disposal.

(3) *Cross reference/locator files.* Remove any contract cross-reference data forms relating to the completed contract, mark each folder with "Completed (Date)", and place each folder in a completed (inactive) cross-reference/locator file series for later disposal.

(b) **Review of contractor "general" files.** Each office shall review contractor "general" files at least once annually and remove documents that --

(1) Are obsolete or superseded documents relating generally to the contractor (e.g., documents no longer pertinent to any aspect of a contractor's current or future capability, performance, or programs, and documents relating to a contractor that is no longer a possible source of supplies, services, or technical assistance) and dispose of the documents as authorized in 18-4.805; or

(2) Pertain only to completed contracts. Place those files that are not routine in nature in inactive files for later disposal, and immediately dispose of routine documents as authorized in NHB 1441.1, NASA Records Disposition Handbook.

SUBPART 18-4.70
TRANSFER OF CONTRACTING OFFICE RESPONSIBILITY

18-4.7000 Scope of subpart.

This subpart contains policies and procedures applicable to the transfer of contracts between NASA installations.

18-4.7001 Definition.

"Transfer of a contract," as used in this subpart, means that process whereby a contract and all future responsibility for a contract held by one installation are transferred or reassigned in writing to another installation.

18-4.7002 Restrictions.

Requests for permission to transfer a contract to another NASA installation, when considered advisable by the installation director, shall be addressed to the appropriate official in charge of a Headquarters program office or the designated program director, after concurrence from the recipient installation director. Contracts shall not be transferred by an installation until permission to transfer has been obtained. The concurrence of the Associate Deputy Administrator--Institution (Code AD-I) is also required for a transfer where an installation's roles and missions may be affected.

18-4.7003 Preparatory actions.

The procurement officer of the installation transferring the contract shall contact the procurement officer of the installation scheduled to receive the contract. This contact shall be for the purpose of establishing a working agreement and a time-phased schedule of transfer actions.

18-4.7004 Coordinating actions by the contracting officer of the installation transferring the contract.

The contracting officer shall coordinate with the following elements within the transferring installation before transferring a contract:

(a) Financial Management Office, to determine the contract financial records to be transferred and the method, timing, and dollar amount of such transfers.

(b) Technical (Engineering and Project) Office, to determine the status of any outstanding engineering changes.

(c) Reliability and Quality Assurance Office, to determine status and method of transferring the reliability and quality assurance functions.

(d) Industrial Property and Facilities Office, to determine the method of transferring the Government property records.

(e) Transportation Office, to determine the status of bills of lading furnished the contractor.

(f) Security Office, to determine whether any classified material is outstanding and whether special precautions are necessary during the transfer process.

(g) Other organizational elements, to determine the status of any other actions such as new technology, materials reports, PERT, and safety.

18-4.7005 Inventory of current requests for contract administration assistance.

The contracting officer transferring the contract shall prepare an inventory of all outstanding requests for contract administration assistance issued to other

Government agencies (e.g., Military Departments, Defense Contract Administration Services Regions, Department of Energy, and Federal Aviation Administration). This inventory shall include the name and address of the agency office, functions requested to be performed, estimated cost of the services, and estimated reimbursement due the administration agency for the services to be performed on the incomplete portion of each requested function. Copies of this inventory shall be provided to the contracting officer to whom the contract is to be transferred.

18-4.7006 Transfer review.

The contracting officer to whom the contract is to be transferred shall be given an opportunity to review the contract, letters of request, actions in process, and other related files and to request corrective action, if necessary, before the official transfer of the contract.

18-4.7007 Notification to the contractor.

After coordination with the installation organizational elements as required in 18-4.7004 and with the receiving contracting officer, the transferring contracting officer shall notify the contractor in writing of the impending transfer.

18-4.7008 Notification to other agencies.

As early as practicable after coordination between procurement offices, the contracting officer transferring the contract shall notify all agencies performing or requested to perform administration services of the impending transfer.

18-4.7009 Administrative actions.

Before transferring the contract, the contracting officer shall make a complete inventory of the contents of the contract file to be transferred. The contracting officer shall identify each contract administration action in process as a separate listing in the inventory and shall indicate its status.

18-4.7010 Transfer.

Upon completion of the preparatory actions described in 18-4.7003 through 18-4.7009, both contracting officers shall agree upon acceptable dates for the transfer of the contract responsibility and the contract files. The contracting officer of the installation transferring the contract shall issue letters as indicated below and provide copies to the contracting officer receiving the contract:

(a) **Contractor**: Notification of the transfer date, termination of appointment of the contracting officer's representatives, and the name, mailing address, and telephone number of the contracting officer at the installation receiving the contract.

(b) **Contracting officer's representatives**: Termination, effective on the date of transfer, of each contracting officer's representative appointment.

(c) **Agencies performing contract administration functions**: Notification of the effective date of the transfer of the contract, along with the mailing address and telephone number of the contracting officer at the installation receiving the contract. (Existing requests for contract administration functions shall not be terminated.)

(d) **Installation organizational elements:** Notification of the effective date of transfer and other pertinent information.

(e) **Receiving installation:** Transfer of contract responsibility and transmission of the contract file, including an inventory of its contents, and a summary of any contractual problems that should be brought to the attention of the contracting officer receiving the contract. This letter shall contain a provision for acceptance of the responsibility for the contract and its related files by the contracting officer and a notification of the acceptance to the contracting officer of the installation transferring the contract.

18-4.7011 Final action by the contracting officer transferring the contract.

The contracting officer at the installation transferring the contract shall retain for permanent file a copy of --

(a) The approvals and concurrences required by 18-4.7002;

(b) The inventory receipt signed by the contracting officer receiving the contract;

(c) The contract itself; and

(d) Any additional documents necessary to present a complete summary of the transfer action.

18-4.7012 Action by the contracting officer receiving the contract.

The contracting officer receiving the transferred contract shall --

(a) Acknowledge receipt of the contract and its related files;

(b) Inform all offices affected within the installation of the receipt of the contract;

(c) Appoint new contracting officer's representatives, as necessary;

(d) Issue a contract modification to provide for the administrative changes resulting from the transfer action (e.g., identifying offices responsible for performing contract administration and making payment and the office to which vouchers, reports, and data are to be submitted);

(e) Provide copies of the contract documents to the installation offices that have a functional responsibility for the contract; and

(f) If appropriate, supplement the letter of request to the Government agency providing contract administration services to reflect the changes resulting from the transfer action. The supplement may terminate or amend an existing contract administration support arrangement or may request support in additional areas.

best copy available

SUBPART 18-4.71
UNIFORM ACQUISITION INSTRUMENT IDENTIFICATION

18-4.7100 Scope of subpart.

This subpart contains the administrative requirements and procedures for uniform numbering of NASA contracts (including letter contracts), purchase orders (including requests to other Government agencies), basic ordering agreements, other documents evidencing in whole or in part an agreement between the parties involving the payment of appropriated funds or collection of funds for credit to the Treasury of the United States, and modifications or supplements to these instruments. It further provides for a uniform identification system for numbering solicitations.

18-4.7101 Policy.

(a) Contractual documents coming within the scope of this subpart shall be numbered with approved prefixes and serial numbers for identification, audit, and filing purposes. If a prefix identification symbol is required for an installation or office not listed in this subpart, a request for the assignment of a prefix identification shall be submitted to the Office of Procurement, NASA Headquarters (Code HM). Alphanumeric characters, other than those prescribed in this subpart, shall not be used as part of the numbering system. If other identification is required, it shall be placed on the document in such a location as to clearly separate it from the identification number prescribed in this subpart.

(b) The identification number shall be retained unchanged for the life of the particular instrument and shall consist of not more than 11 alpha-numeric characters positioned as prescribed in this subpart.

18-4.7102 Invitations for bids, requests for proposals, NASA Research Announcements, contracts, agreements, and modifications.

18-4.7102-1 Identification of solicitations.

Solicitations shall be numbered in accordance with the individual field installation's system for identifying them, except that in all cases the identifying number shall begin with the installation's numerical identification prefix (see 18-4.7102-4).

18-4.7102-2 Contracts and agreements requiring numbering.

The following contracts and agreements shall be numbered in accordance with the uniform numbering system prescribed in 18-4.7102-3, 18-4.7102-4, 18-4.7102-5, and 18-4.7102-7:

(a) Contracts, including letter contracts, for procurement or sale of supplies or services involving or likely to involve the payment or receipt of more than $25,000.

(b) Indefinite-delivery contracts involving more than one payment and estimated to involve payment or receipt of more than $25,000 during the fiscal year.

(c) Utilities contracts.

(d) Leases of real property and renewals of these leases.

(e) Easements.

(f) Basic ordering agreements.

(g) Other written agreements involving payment or receipt of funds not covered by 18-4.7103.

18-4.7102-3 Assignment and control of numbers.

(a) The numbering of contracts, agreements, and modifications shall be centrally controlled by each contracting office at NASA Headquarters, field installations, or offices for which a prefix identification symbol has been assigned.

(b) A complete identifying number shall consist of the following and shall be assigned to NASA contracts and agreements designated in 18-4.7102-2:

(1) One of the prefix identification symbols contained in 18-4.7102-4, followed by a hyphen.

(2) A serial number (assigned in accordance with 18-4.7102-5) for the particular transaction.

18-4.7102-4 Assigned contract or agreement prefixes.

(a) Approved prefixes for NASA contract or agreement numbers are as follows:

INSTALLATION	PREFIX
Ames Research Center	NAS2
Goddard Space Flight Center	NAS5
Headquarters	NASW
Lyndon B. Johnson Space Center	NAS9
John F. Kennedy Space Center	NAS10
Langley Research Center	NAS1
Lewis Research Center	NAS3
George C. Marshall Space Flight Center	NAS8
NASA Resident Office-JPL	NAS7
John C. Stennis Space Center	NAS13
Space Station Procurement Office	NAS14

(b) The identification numbering system for all contracts totally funded under reimbursable arrangements with the Department of Energy shall conform to 18-4.7102-3, except that a DEN prefix shall be used instead of the NAS prefix; e.g., DENW would be the Headquarters prefix, and DEN8 would be the Marshall designation.

(c) All Space Act agreements awarded under the authority of Section 203(c)(5) or 203(c)(6) of the Space Act shall also be identified as specified in 18-4.7102-3, except that an NCA prefix shall be used instead of the NAS prefix.

18-4.7102-5 Serial numbers.

(a) Contracts and agreements identified in 18-4.7102-2 shall be numbered serially by the organizational unit authorized to assign such numbers, commencing with the number "1" and continuing in succession without regard to fiscal year or type of contract; e.g., NAS5-300, NAS5-301.

(b) If the contract is a facilities contract, the letter "F," in parentheses, shall be used at the end of the serial number for identification purposes; e.g., NAS5-301(F).

(c) When the series of numbers under a symbol exceeds five digits (over 99,999), a new series shall be used, beginning the series with number "1" and followed by the capital letter "A." Should additional series become necessary, they will be distinguished by the capital letters "B," "C," and so forth, as may be required, except that the letters "I" and "O" shall not be used.

18-4.7102-6 Modifications of contracts or agreements.

Modifications of definitive contracts or agreements shall (a) bear the same identification as the contract or agreement being modified and (b) be numbered consecutively for each contract or agreement, beginning with Modification

Number 1, regardless of whether the modification is accomplished by unilateral or bilateral action. Except for termination notices, modifications shall be effected by the use of Standard Form 30, Amendment of Solicitation/ Modification of Contract.

18-4.7102-7 Letter contracts.

(a) **Superseding definitive contract.** The same number assigned to the letter contract according to 18-4.7102-4 and 18-4.7102-5 shall also be assigned to the superseding definitive contract. No other contract number may be assigned to the superseding definitive contract.

(b) **Modifications.**

(1) Additions or changes to letter contracts shall be accomplished by modification to the letter contract. Modifications shall (i) bear the same identification as the letter contract being modified and (ii) be numbered consecutively for each letter contract, beginning with Modification Number 1, regardless of whether the modification is accomplished by unilateral or bilateral action.

(2) After the letter contract is definitized, contract modifications shall be numbered beginning with the next sequential number following that of the last modification to the letter contract.

18-4.7103 Purchase orders and requests.

18-4.7103-1 General.

Purchase orders (including blanket purchase agreements) and requests to other Government agencies to furnish supplies or services shall be assigned a complete identifying number consisting of --

(a) One of the letter prefixes set forth in 18-4.7103-2, followed by a hyphen; and

(b) A serial number, assigned in accordance with 18-4.7103-3.

18-4.7103-2 Assigned purchase order or request prefixes.

Approved letter prefixes for NASA purchase orders (including blanket purchase agreements) or requests to other Government agencies are as follows:

INSTALLATION	PREFIX
Ames Research Center	A
George C. Marshall Space Flight Center	H
Goddard Space Flight Center	S
Headquarters	W
John F. Kennedy Space Center	CC
Langley Research Center	L
Lewis Research Center	C
Lyndon B. Johnson Space Center	T
NASA Resident Office--JPL	WO
John C. Stennis Space Center	NS
Space Station Procurement Office	D

18-4.7103-3 Serial numbers.

The same series of consecutive numbers will be used for numbering both purchase orders (including blanket purchase agreements) and requests to other Government agencies. The series shall commence with the number "1" and continue in succession without regard to the fiscal year. The number follows the letter symbol, separated by a hyphen; e.g., Order Number L-350 or Order Number W-1000. When the series of numbers under a symbol exceeds 5 digits (over 99,999), a new series shall be used, beginning the series with number "1" and followed by the capital letter "A." Should additional series become necessary, they will be distinguished by the capital letters "B," "C," and so forth, as may be required, except that the letters "I" and "O" shall not be used.

SUBPART 18-4.72
REVIEW AND APPROVAL OF CONTRACTUAL INSTRUMENTS

18.4-7200 Scope of subpart.

This subpart sets forth administrative requirements for (a) furnishing to NASA Headquarters advance contract information regarding proposed procurements expected to exceed the small purchase limitation and (b) contracts and supplemental agreements requiring approval from NASA Headquarters before award. It also lists information to be furnished by contracting officers in submitting contracts and supplemental agreements for Headquarters approval. These requirements are in addition to other approval and review requirements.

18-4.7201 Advance information.

(a) A copy of each unclassified presolicitation notice, solicitation, or changes thereto, including specifications but not drawings, shall be forwarded to the Office of Small & Disadvantaged Business Utilization, NASA Headquarters (Code K), at the time of issuance. If the proposed procurement is classified, only a copy of the solicitation notice is required.

(b) The contents of the presolicitation notice are prescribed at FAR 5.207. Each copy of the solicitation shall be accompanied by a statement of the estimated cost of the proposed procurement and a complete list of firms or persons solicited. This information is for internal NASA use only.

18-4.7202 Contract Review by the contracting officer.

All contractual documents, regardless of dollar value, require a complete review by the contracting officer.

18-4.7203 Contract review by Headquarters.

(a) **Purpose.** The primary purpose of NASA Headquarters review and approval of contractual actions is to provide an independent review and analysis to determine whether the procurements --

(1) Have been competently negotiated;

(2) Are based on adequate information;

(3) Are in conformance with law, established policies and procedures, and sound business practice; and

(4) Will result in contracts that adequately protect the Government's interest.

(b) **Information to be furnished.** Requests for approval of contracts and supplemental agreements submitted to Headquarters for approval by the Assistant Administrator for Procurement, in accordance with Subpart 18-7.71, Master Buy Plan Procedures, and 18-16.603, Letter contracts, shall include the information required by this section and shall be forwarded in sufficient time to allow a minimum of 15 days for review. The official contract file shall be submitted with the request for approval and shall include a completed NASA Form 1098, Checklist for Contract Award File Content. Where Headquarters legal counsel review is required, a duplicate copy of the file should, if practical, be forwarded in order to expedite review. A list of contracts requiring such legal review will be published periodically.

(c) **Negotiated contracts and supplemental agreements.** Each request for approval of a negotiated contract or supplemental agreement shall be accompanied by (1) eight copies of the contract, four of which have been executed by the contractor and contracting officer, and (2) the official contract file containing the appropriate documentation as set forth in FAR 4.803(a). However, for the items specified in FAR 4.803(a)10, (11), and (12), the contracting officer shall provide documentation pertaining only to the successful offeror; and, for the items specified in FAR 4.803(a)(26), the contracting officer is not to provide supporting documentation for previously issued contract modifications except as required below. When the contract being forwarded is a supplemental agreement to an existing contract, the contract file shall include an index of all previous modifications, which will serve as a guide or quick reference; e.g., S.A. No. 2--Added the clause at 18-52.223-70, Safety and Health.

(d) **Conditional approval of contracts and supplemental agreements.**

(1) Contracts and supplemental agreements submitted to Headquarters for the approval of the Assistant Administrator for Procurement may be approved conditionally, subject to requiring the cognizant contracting office to take certain corrective actions within a specified period of time. These corrective actions include (i) revising, deleting, or adding contract clauses and (ii) developing additional supporting data for inclusion in the contract file, prior to or concurrent with the distribution of the approved contract or by an early supplemental agreement.

(2) The procurement officer shall ensure that these corrective actions are accomplished in accordance with the conditional approval. In addition, the procurement officer shall provide the Assistant Administrator for Procurement (Code HS) (i) a copy of the corrected contract pages, supplemental agreement, or additional supporting data meeting the conditions of approval and (ii) a memorandum referencing the Headquarters conditional approval and indicating the status of the corrective actions.

(3) On receiving and reviewing the corrective actions, the Headquarters Office of Procurement (Code HS) will notify the cognizant procurement officer of the disposition of the conditional approval. This notice shall be made a part of the official contract file and the Headquarters file of record.

(e) **Approval.** The approval required under this section shall be made by signature of the Assistant Administrator for Procurement on the contract/supplemental agreement.

SUBPART 18-4.73
PROCUREMENT REQUESTS

18-4.7301 General.

(a) Procurement requests shall be prepared and submitted to the contracting office in accordance with installation instructions.

(b) Except in unusual circumstances, the contracting office shall not issue solicitations until an approved procurement request, containing a certification that funds are available, has been received. However, the contracting office may take all necessary actions up to the point of contract obligation before receipt of the approved procurement request certifying that funds are available when --

(1) Such action is necessary to meet critical program schedules;

(2) It has been established that program authority has been issued and funds to cover the procurement will be available prior to the date set for contract award or contract modification; and

(3) The procurement officer authorizes such action in writing before solicitation issuance.

(c) The procurement request shall be assigned within the contracting office to a negotiator who will be responsible to the contracting officer for conducting the business aspects of the transaction. The negotiator shall review the request to ensure that it complies with the FAR, this regulation, and applicable installation instructions and that the information in the request is sufficient to prepare the solicitation. Uncertain requirements or inconsistencies in the procurement request will be discussed with the initiator of the request and resolved prior to initiating procurement action.

PART 18-5

PUBLICIZING CONTRACT ACTIONS

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PART 18-5
PUBLICIZING CONTRACT ACTIONS

SUBPART 18-5.1
DISSEMINATION OF INFORMATION

18-5.101 Methods of disseminating information.

For NASA policy regarding paid advertisements, see FAR 5.502 and 18-5.502.

SUBPART 18-5.2
SYNOPSES OF PROPOSED CONTRACTS

18-5.201 General.

18-5.201-70 Headquarters notification.

A copy of each synopsis of a proposed contract action sent to the Commerce Business Daily (CBD) shall be furnished to the Director of Small and Disadvantaged Business Utilization, NASA Headquarters (Code K).

18-5.202 Exceptions

(a) Under FAR 15.507(b)(4), the contracting officer must comply with the preaward synopsis requirement at FAR 5.201 for all unsolicited proposals that will result in contracts, unless evaluation on a case-by-case basis determines that one of the exceptions contained in FAR 5.202 (e.g., 5.202(a)(8)) applies. The synopsis contemplated for such unsolicited proposals is the notice of proposed contract action synopsis addressed by FAR 5.201, not the research and development (R&D) sources-sought advance notice addressed by FAR 5.205(a).

(b) When award in response to an unsolicited proposal is intended to be accomplished by other than full and open competition (FAR 6.302-1(a)(2)(i)), this synopsis shall include reference to Numbered Note 22 unless no synopsis is required pursuant to FAR 5.202(a)(8), because a synopsis cannot be drafted without improperly disclosing the originality of thought or innovativeness of the proposed research, or without disclosing proprietary information associated with the proposal.

(c) With careful drafting, it should usually be possible to develop a synopsis that generically describes the NASA requirement fulfilled by the unsolicited proposal without disclosing the originality of thought, innovativeness, or proprietary information contained in the proposal. Generally, the contracting officer, in developing the synopsis, will find it possible to address the general or research area addressed in the unsolicited proposal. In a few instances, however, the mere statement in a notice of contract action synopsis that a particular problem and solution exist would improperly disclose a proposer's unique originality of thought or innovativeness; in those cases, the exception in FAR 5.202(a)(8) applies, and no CBD synopsis need be submitted. Thus, the requirement is to publish CBD notice of contract action synopses whenever it is possible to synopsize without improperly disclosing originality of thought, innovativeness of proposed research, or proprietary information associated with the unsolicited proposal.

(d) The phrase "proprietary information" as used at FAR 5.202(a)(8) means information (data) that constitutes a trade secret and/or information that is commercial or financial and confidential or privileged.

18-5.205 Special situations.

Potential sources responding to R&D advance notices shall be added to the appropriate solicitation mailing list for the subsequent solicitation and, if they do not appear on the solicitation mailing lists established in accordance with FAR 14.205-1, shall be requested to submit Standard Form 129, Solicitation Mailing List Application. Responding sources on established lists may be requested to submit amended applications in order to reflect their current capabilities.

18-5.207 Preparation and transmittal of synopses.

(a) Each notice publicizing the procurement of architect-engineer services shall be headed *"R. Architect-Engineer Services."* In addition to meeting the requirements of FAR 5.207(c), the project description shall --

(1) State the relative importance the Government attaches to the significant evaluation criteria and the date by which responses to the notice must be received, including submission of Standard Form 255, Architect-Engineer and Related Services Questionnaire for Specific Project, if required;

(2) Describe any specialized qualifications, security classifications, and limitations on eligibility for consideration;

(3) Describe qualifications or performance data required from architect-engineer firms; and

(4) If the procurement is to be set aside for small business, state this fact, indicating the specific size standard to be used and requiring that eligible responding firms submit a small business representation. In addition, contracting officers shall also add at the end of the synopsis --

> "See Note 62. Provisions of Note 62 apply to this notice, except that in the second paragraph of the note: (a) 'National Aeronautics and Space Administration' is substituted for 'Department of Defense' wherever the reference appears, and (b) the fourth additional consideration listed is changed to read: '(4) past experience, if any, of the firm with respect to performance on contracts with NASA, other Government agencies, and private industry.'"

(b) In synopsizing contracting actions involving options, the contracting officer shall either (1) include the options in the description required by FAR 5.207(c)(2)(vi) or (2) publish a separate synopsis of the option as a new procurement before exercising it (see FAR 17.207(c)(4)).

(c) FAR 5.207(b)(4) requires that agencies identify each synopsis by a Federal Information Processing Standards (FIPS) number. The numbers assigned to NASA installations by FIPS-95 are --

Ames Research Center	8020
Goddard Space Flight Center	8026
Headquarters	8001
Johnson Space Center	8032
Kennedy Space Center	8035
Langley Research Center	8038
Lewis Research Center	8041
Marshall Space Flight Center	8044
NASA Resident Office-JPL	8029
Stennis Space Center	8047

SUBPART 18-5.3
SYNOPSES OF CONTRACT AWARDS

18-5.302 Preparation and transmittal of synopses of awards.

18-5.302-70 Headquarters notification.

The contracting officer shall mail one copy of the synopsis of contract award prepared in accordance with FAR 5.302 to the Office of Small and Disadvantaged Business Utilization, NASA Headquarters (Code K) and send one copy to the installation's Public Affairs Office.

18-5.303 Announcement of contract awards.

Congressional notification shall be in accordance with 18-5.403-70.

18-5.303-70 Furnishing additional procurement information to the public.

(a) **Policy.**

(1) In addition to publicizing procurements and contract awards in the CBD, NASA furnishes the public, upon request, through the public affairs office of the NASA installation receiving the request, information on specific current NASA procurements, including --

(i) The names of firms invited to submit offers;

(ii) The names of firms that attended any pre-bid or pre-proposal conference;

(iii) After the date established for receipt of offers, the names of firms that submitted them (but see 18-15.413); and

(iv) Contract award information required to be publicized in the CBD under the provisions of FAR 5.303 and this subsection 18-5.303-70.

(2) Exceptions will be permitted only when the Assistant Administrator for Procurement or the Director of the field installation concerned determines that disclosure in accordance with subparagraph (1) preceding would be prejudicial to the interests of NASA.

(b) **Procedures.** Contracts requiring approval by the Assistant Administrator for Procurement under Subpart 18-4.72 will not be distributed, nor will any information be given to any source outside of NASA as to whether or not they have been approved, until 24 hours after the Director of Public Affairs and the Assistant Administrator for Legislative Affairs, NASA Headquarters, have been advised that the contract has been consummated.

(c) **Unsuccessful offerors.** For guidance on releasing information to unsuccessful offerors, see FAR 14.408 and FAR Subpart 15.10.

18-5.303-71 Public Affairs Office notification.

(a) **Letter contracts.**

(1) The procedures for issuing and approving letter contracts are contained in FAR 16.603 and 18-16.603. Before transmitting a letter contract to a contractor for signature, the procurement officer shall furnish to the installation's Public Affairs Office the following information:

(i) Whether the letter contract initiates a new contract or is for additional work or services under an existing contract.

(ii) The dollar amount authorized for the letter contract and the estimated total cost of the contract or supplemental agreement.

(iii) Name and address of the contractor.

(iv) Location where the work is to be performed.

(v) A brief description of the work, including identification of the program and project.

(vi) For the purpose of responding to queries only, a list of any unsuccessful offerors and their addresses.

(2) Upon receiving the information described in subparagraph (1) above, the installation's Public Affairs Office shall transmit the information immediately, in the form of a news release, by priority TWX or more expeditious means (if appropriate), to the Chief, News and Information Branch (Code LM), and the Assistant Administrator, Congressional Relations Office (Code XC), NASA Headquarters. The information shall not be otherwise released by the installation's Public Affairs Office, nor shall the letter contract be released before 2:30 p.m. Washington, DC time of the next working day, unless clearance has been received earlier from the Chief, News and Information Branch (Code LM). If circumstances indicate a need for earlier action, exception must be obtained from the Assistant Administrator for Procurement.

(b) **Definitive contracts and supplemental agreements.**

(1) This subparagraph (1) does not pertain to supplemental agreements covering overruns or incremental funding actions or to contracts or supplemental agreements that require approval of the Assistant Administrator for Procurement pursuant to 18-4.7203. It does pertain to contracts, supplemental agreements, and the execution of options that are in an amount of $10,000,000 or over for the Stennis Space Center, Headquarters Contracts and Grants Division, Space Station Procurement Office, and the NASA Resident Office--JPL and $25,000,000 or over for Ames Research Center, Goddard Space Flight Center, Johnson Space Center, Kennedy Space Center, Langley Research Center, Lewis Research Center, and Marshall Space Flight Center. It also pertains to any procurement action that, in the judgment of the contracting officer, has Headquarters public information implications (e.g., the transfer of personnel from one State to another). Such contracts and supplemental agreements shall not be distributed nor shall any source outside NASA be informed that the contractual instrument has been signed by both parties until the procedures in subdivisions (i) and (ii) following are carried out:

(i) The procurement officer shall furnish to the installation's Public Affairs Office the following information:

(A) Whether the contract or supplemental agreement initiates a new contract or is for additional work or services under an existing contract.

(B) Type of contract.

(C) The dollar amount authorized for the instant action and the estimated total cost of the contract if this is different.

(D) Name and address of the contractor.

(E) Location where the work is to be performed.

(F) A brief description of the work, including identification of the program and project.

(G) For the purpose of responding to queries only, a list of any unsuccessful offerors and their addresses.

(ii) Upon receiving the information listed in subdivision (i) preceding, the installation's Public Affairs Office shall immediately prepare a news release in the form of a priority TWX containing as a minimum the information in subdivision (i) above, and transmit it to the Chief, News and

Information Branch (Code LM), and the Assistant Administrator, Congressional Relations Office (Code XC), NASA Headquarters. The information shall not be otherwise released by the installation's Public Affairs Office, nor shall the contract instrument be released before 2:30 p.m. Washington, DC time of the next working day, unless clearance has been received earlier from the Chief, News and Information Branch (Code LM). If circumstances indicate a need for earlier action, exception must be obtained from the Assistant Administrator for Procurement.

(2) When forwarded for the approval of the Assistant Administrator for Procurement, if required by 18-4.7203, contracts and supplemental agreements shall be accompanied by a draft news release prepared by the installation's Public Affairs Office and furnished to the contracting office for inclusion in the submission file. The news release shall contain as a minimum the information required by subdivision (1)(i) above. At the time the Assistant Administrator for Procurement approves the contract or supplemental agreement, the news release shall be forwarded immediately to the Chief, News and Information Branch (Code LM), and to the Assistant Administrator, Congressional Relations Office (Code XC).

SUBPART 18-5.4
RELEASE OF INFORMATION

18-5.401 General.

Release of information to the Small Business Administration shall be in accordance with FAR 19.402(b).

18-5.402 General public.

Requests from the general public for specific information shall be processed in accordance with 18-5.303-70.

18-5.403 Requests from Members of Congress.

18-5.403-70 Headquarters approval and release.

The proposed reply, with full documentation, shall be promptly prepared and forwarded by the most expeditious means to the Assistant Administrator, Congressional Relations Office (Code XC), NASA Headquarters, for approval and release. (See 18-5.303-70.)

SUBPART 18-5.5
PAID ADVERTISEMENTS

18-5.502 Authority.

Use of paid advertisements for procurement purposes is not authorized in NASA.

PART 18-6

COMPETITION REQUIREMENTS

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PART 18-6
COMPETITION REQUIREMENTS

SUBPART 18-6.2
FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES

18-6.202 Establishing or maintaining alternative sources.

(a) The authority of FAR 6.202 is to be used to exclude one source only. If, for example, FAR 6.202(a)(3) appears to be applicable, but all for-profit concerns as well as the current source will be excluded, then FAR 6.302-3 shall be used instead.

(b) The authority to sign the D&F required by FAR 6.202(b)(1) is hereby delegated to the approval levels specified in FAR 6.304 and 18-6.304.

18-6.202-70 Determination and findings.

(a) **Procedure.**

(1) Each determination and findings (D&F) shall be dated at the time of signature.

(2) Each request for approval of a D&F over $10,000,000 under 10 U.S.C. 2304(b)(1) (FAR 6.202) shall consist of --

(i) A memorandum from the procurement officer to the Assistant Administrator for Procurement (Code HS) recommending D&F approval; and

(ii) An original and three copies of the D&F in the format required by paragraph (b) below.

(3) The Assistant Administrator for Procurement (Code HS) shall return the signed D&F, if approved, to the contracting office, retaining the copies in Headquarters files.

(b) **Content.** When the authority of FAR 6.202(a) is proposed for use, it must be shown clearly that the necessity for excluding a particular source arises from genuine considerations pertinent to the authority of FAR 6.202(a). The supporting data and the D&F must name the source to be excluded and shall include the following information as applicable and any other relevant information:

(1) The specific purpose to be served in excluding the source; i.e., to increase or maintain competition, the interest of national defense in having a facility available in case of a national emergency or industrial mobilization, or the interest of national defense in establishing or maintaining an essential engineering, research, or development capability.

(2) The acquisition history of the supplies or services, including sources, prices, quantities, and dates of award.

(3) The circumstances making it necessary to exclude a particular source from the contract action:

(i) Reasons for lack of sources; e.g., the technical complexity and criticality of the item.

(ii) Current annual requirement and prospective needs for the supplies and services.

(iii) Projected future requirements.

(4) Whether the existing source must be totally excluded action or whether a partial exclusion is sufficient.

(5) The potential effect of exclusion on the excluded source in terms of any loss of capability to furnish the supplies or services in subsequent contract actions.

(6) When the authority of FAR 6.202(a)(1) is cited, the basis for --

(i) Assumptions regarding future competition; and

(ii) The determination that exclusion of a particular source will likely result in reduced overall costs for anticipated future acquisitions, including (as a minimum) discussion of start-up costs, costs associated with facilities, duplicative administration costs (such as for additional inspection or testing), economic order quantities, and life-cycle-cost considerations.

(7) When an additional source or additional sources must be established to provide production capacity to meet current and mobilization requirements --

(i) The current annual and the mobilization requirements for the item, citing the source of, or the basis for, the planning data;

(ii) A comparison of current production capacity with current and mobilization requirements; and

(iii) The hazards of relying on the present source and the time required for new sources to acquire the necessary facilities and skills and achieve the production capacity necessary to meet requirements.

(c) **Formats.** A sample format for D&Fs citing the authority of FAR 6.202(a) follows:

National Aeronautics and Space Administration
Washington, DC 20546

Determination and Findings

Authority to Exclude a Source

On the basis of following findings and determination, which I make under the authority of 10 U.S.C. 2304(b)(1) as implemented by FAR 6.202, the proposed contract action described below may be awarded using full and open competition after exclusion of ___(1)___ .

Findings

1. It is proposed that the following requirement be acquired using full and open competition after exclusion of the source identified above.

2. The source identified above can be expected to receive an award for this requirement unless excluded.

3. It is necessary to establish or maintain an alternative source or sources.

4. The exclusion of this source will increase or maintain competition and is likely to result in reduction of ___(2)___ in overall costs for any anticipated acquisition of the supplies or services being acquired. This estimate is based on ___(3)___ .

(See Note 4 for the use of Alternates I and II below.)

Alternate I: The exclusion of this source will serve the national defense interest by having an alternative supplier available for furnishing the supplies or services being acquired, in case of a national emergency or industrial mobilization, because ___(5)___.

Alternate II: The exclusion of this source will serve the national defense interest by establishing or maintaining an essential engineering, research, or development capability of an educational or other nonprofit institution or a federally funded research and development center, because ___(5)___ .

FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES

Determination

The exclusion of the source identified above will increase or maintain competition and is likely to result in reduced overall costs for any anticipated acquisition of the supplies or services being acquired.

(See Note 4 for the use of Alternates I and II below.)

Alternate I: It is in the interest of the national defense to exclude the source identified above in order to have an alternative supplier available for furnishing the supplies or services being acquired, in case of a national emergency or industrial mobilization.

Alternate II: It is in the interest of national defense to exclude the source identified above in order to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center.

Date ______________________

NOTES:

1. Name of source to be excluded.
2. Description of estimated reduction in overall costs.
3. Description of how estimate was derived.
4. In paragraph 4 and in the Determination, the basic wording is appropriate when FAR 6.202(a)(1) applies; Alternate I is appropriate when FAR 6.202(a)(2) applies; and Alternate II is appropriate when FAR 6.202(a)(3) applies.
5. Description of circumstances necessitating the exclusion of the identified source.

SUBPART 18-6.3
OTHER THAN FULL AND OPEN COMPETITION

18-6.301 Policy.

For NASA, the appropriate statutory authorities relative to FAR 6.302 are in Title 10 of the United States Code.

18-6.302 Circumstances permitting other than full and open competition.

18-6.302-1 Only one responsible source and no other supplies or services will satisfy agency requirements.

18-6.302-170 Technical equipment requiring standardization and interchangeability of parts.

(a) The contracting officer shall review actions taken under the authority of FAR 6.302-1(b)(4) at least once every two years to determine whether use of this authority should be continued, revised, or cancelled.

(b) This authority may be used when (1) only one or a limited quantity of a particular item is to be purchased and (2) compatibility with existing equipment and interchangeability of parts are essential. Use of this authority in such a case does not mean that subsequent purchases of similar equipment will necessarily require the use of less than full and open competition for purposes of standardization. The contracting officer must examine the facts involved in each case to determine whether compatibility with other equipment and interchangeability of parts are essential objectives.

18-6.302-2 Unusual and compelling urgency.

18-6.302-270 Support services contracts.

It may become necessary to extend the performance period of an existing support services contract to avoid a lapse in services pending completion of a full and open competition for the succeeding period. Under these circumstances, the authority at FAR 6.302-1 is not appropriate, because of the pending competition and because it does not cover follow-on contracts for services. However, if the contemplated action otherwise conforms to the requirements at FAR 6.302-2 and the additional documentation at 18-6.303-271 is included in the justification for other than full and open competition, then the existing contract may be extended under this authority.

18-6.302-7 Public interest.

18-6.302-770 Determination and findings.

(a) **Procedure.** The contracting officer shall prepare the D&F required by FAR 6.302-7(c)(1), using the format provided in paragraph (b) below. The original and three copies of the D&F shall be submitted to the Assistant Administrator for Procurement (Code HS) for concurrence and coordination up to the Administrator for signature.

(b) **Format.** The following format shall be used for the D&F:

National Aeronautics and Space
Administration
Washington, DC 20546

Determination and Findings

Authority To Use Less Than Full and Open Competition

On the basis of the following findings and determination, which I make under the authority of 10 U.S.C. 2304(c)(7) as implemented by FAR 6.302-7, it is in the public interest to provide for less than full and open competition in the contract action described below.

Findings

1. The ___(1)___ proposes to enter into a contract for the acquisition of ___(2)___ .

2. Use of the authority cited above is necessary in the public interest for the following reasons: ___(3)___ .

Determination

For the reasons described above, it is necessary in the public interest to use procedures other than competitive procedures in the proposed acquisition.

Date ____________

NOTES:

(1) Name of contracting activity.

(2) Brief description of supplies or services.

(3) Explain the need for use of the authority.

(c) **Notice to Congress.** The notice to Congress required by 10 U.S.C. 2304(c)(7)(B) and FAR 6.302-7(c)(2) shall be made by NASA Headquarters, Congressional Relations Office (Code XC). Code HS shall request the notice to be made immediately upon approval of a D&F under paragraph (a) above and shall advise the contracting activity of the date upon which the notification period ends.

18-6.303 Justifications.

18-6.303-1 Requirements.

(a) Justifications for using less than full and open competition may be prepared by the technical office initiating the contract action when it is recommending the use of the justification authority, or by the contracting officer if the technical office does not make such a recommendation.

(b) The contracting officer shall send a copy of each approved justification or D&F that cites the authority of FAR 6.302-3(a)(2)(i) or FAR 6.302-7 to NASA Headquarters, International Relations Division (Code XI), unless one of the exceptions at FAR 25.403 applies to the procurement. The transmittal shall indicate that the justification is being furnished under FAR 6.303-1(d).

(c) Before using the authority of FAR 6.303-1(e), the contracting officer shall informally discuss the reasons for the proposed use of less than full and open competition under FAR 6.302-2 with the justification approving authority, except that if that authority is NASA Headquarters (Code H), the discussion shall be between the procurement officer and the Assistant Administrator for Procurement.

(d) Each approved justification shall be retained in the contract file.

18-6.303-170 Sole-source purchases by contractors.

The requirements of FAR Part 6 and NFS Part 18-6 apply if NASA directs a prime contractor (by specifications, drawings, parts lists, or otherwise) to purchase items on a sole-source basis. Accordingly, procurement officers shall take necessary actions to ensure that such sole-source acquisitions are properly justified. Where "brand name or equal" purchase descriptions list the salient physical, functional, or other characteristics of the item being procured and are properly used under 18-10.004-71, the justification requirements of FAR Part 6 and NFS Part 18-6 do not apply.

18-6.303-2 Content.

18-6.303-270 NASA employees or former NASA employees.

If any contract with a NASA employee or an individual employed by NASA within the past two years is proposed on the basis of other than full and open competition, the justification shall state that the proposed contractor is a NASA or former NASA employee and shall explain why it is in the best interest of the Government to take this action (see FAR Subpart 3.6 and NFS 18-3.602, 18-3.7001(a), and 18-6.304-70).

18-6.303-271 Use of unusual and compelling urgency authority.

If the authority at FAR 6.302-2 is used for extending the performance period of an existing support services contract under the circumstances described at 18-6.302-270, the justification shall contain, in addition to the information required by FAR 6.303-2 --

(a) Documentation that the procurement process for the successor contract was started early enough to allow for adequately planning and conducting a full and open competition, together with a description of the circumstances that prevented award in a timely manner; and

(b) Documentation of the reasons why no other source could practicably compete for the interim requirement.

18-6.304 Approval of the justification.

(a) All justifications for contract actions over $100,000 shall be submitted to the procurement officer for concurrence before being forwarded for approval. Justifications over $1,000,000 shall also be submitted to the installation's Deputy Director for concurrence, and those over $10,000,000 shall be further submitted for the concurrence of the installation's Director, before being forwarded for approval. The contracting officer shall use NASA Form 1452, Signature Page (Installation), for actions requiring Headquarters approval.

(b) The authority of FAR 6.304(a)(3) may not be delegated to other than the installation's Deputy Director.

(c) For proposed contract actions over $10,000,000, the original justification and three copies shall be forwarded to the Assistant Administrator for Procurement (Code HS). After approval by the Assistant Administrator for Procurement, the signed original will be returned to the procurement officer. The copies will be retained in Headquarters files.

(d) Regardless of dollar value, class justifications shall be concurred in and approved as if they were individual justifications over $10,000,000.

18-6.304-70 Contracts with NASA employees or former NASA employees.

For procurements between the small purchase ceiling and $100,000 involving an individual currently employed or employed by NASA during the past two years or a firm in which such an individual employee is a partner, principal officer, or majority shareholder, or that is otherwise controlled or predominantly staffed by such individuals (see Subpart 18-3.70), the justification shall be submitted for the approval of the installation's Deputy Director. This is in addition to any approval required by FAR 6.304(a)(1).

18-6.305 Availability of the justification.

(a) Requests for inspection of justifications should be submitted in writing and should identify the particular procurement involved. Requestors making oral requests should be encouraged to submit them in writing but are not required to do so.

(b) The contracting officer should consult counsel regarding disclosure exemptions and deletion and protection of proprietary data. Requests should be processed promptly.

SUBPART 18-6.5
COMPETITION ADVOCATES

18-6.570 NASA competition advocacy program.

NASA's implementation of FAR Subpart 6.5 is in NMI 1210.2, NASA Competition Advocacy Program.

PART 18-7

ACQUISITION PLANNING

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PART 18-7
ACQUISITION PLANNING

SUBPART 18-7.1
ACQUISITION PLANS

18-7.101 Definitions.

"Procurement plan" means a detailed outline of the method by which the contracting officer expects to accomplish the procurement. It is an administrative tool designed to enable the contracting officer to plan effectively for accomplishing an assigned procurement by analyzing the requirement and determining the procurement method.

18-7.102 Policy.

(a) In R&D procurements over $100,000, when only three or fewer sources are known, the contracting officer shall have the requirements office query the Defense Technical Information Center (DTIC) IR&D Database to identify additional sources conducting IR&D in the area of the procurement, in addition to using other market survey techniques. If needed, specific information on access to and use of the DTIC IR&D Database by a particular NASA installation may be obtained from that installation's designated IR&D focal point.

(b) As authorized in FAR 7.102, NASA uses its procurement planning system in lieu of the criteria in FAR Subpart 7.1. However, all procurement plans shall comply with FAR 7.104(c), 7.105(b)(2), and, when appropriate, 7.106. Regardless of the method employed, every acquisition shall be adequately planned to allow enough time to complete the competitive procurement process and award a contract by the required date.

18-7.103 Agency-head responsibilities.

(a) **Requirement for preparation of procurement plans.**

(1) Except as otherwise authorized by subparagraph (2) below, the contracting officer shall prepare a procurement plan, with the advice and assistance of the cognizant technical division, for each negotiated procurement estimated to exceed the dollar amount set forth below for the installation concerned. The plan shall be prepared before soliciting proposals.

(i) **$250,000 for --**
- Stennis Space Center
- Headquarters Contracts and Grants Division
- Space Station Procurement Office
- NASA Resident Office--JPL

(ii) **$500,000 for --**
- Ames Research Center
- Goddard Space Flight Center
- Johnson Space Center
- Kennedy Space Center
- Langley Research Center
- Lewis Research Center
- Marshall Space Flight Center

(2) Procurement plans are not required for procurements --

(i) Of architect-engineering services;

(ii) Based on unsolicited proposals;

(iii) Of basic research from nonprofit organizations;

(iv) Of utility services where the services are available from only one source;

(v) Made from or through other government agencies;

(vi) Of industrial facilities required in support of related procurement contracts; or

(vii) Resulting from broad agency announcements listed in 18-35.016.

(b) **Approval of procurement plans.**

(1) Whenever the estimated cost of the procurement, including options, and later phases contemplated for the same program or project meets the thresholds below, procurement plans shall, as a minimum, be reviewed and approved as follows:

(i) For procurements in excess of the applicable dollar amount in subparagraph (a)(1) above, but less than the dollar amount below for the installation concerned, the procurement plan shall be submitted for the approval of the Procurement Officer or designee after review and written concurrence by the head of the cognizant technical division or laboratory (for the purpose of this requirement, the term "or designee" means the individual authorized by the Procurement Officer to sign the procurement plan; this authorization shall be in writing and may not be delegated to more than one individual).

(A) **$5,000,000 for --**

- Stennis Space Center
- Headquarters Contracts and Grants Division
- Space Station Procurement Office
- NASA Resident Office--JPL

(B) **$10,000,000 for --**

- Ames Research Center
- Goddard Space Flight Center
- Johnson Space Center
- Kennedy Space Center
- Langley Research Center
- Lewis Research Center
- Marshall Space Flight Center

(ii) For procurements within the range of the dollar amounts below for the installation concerned, the procurement plan shall be submitted for the approval of the installation's Head, Deputy Head, or Associate Director (as used here, "Associate Director" means a full Associate Director, not an Associate Director for) after reviews and written concurrences by the Director or Assistant Director of the cognizant technical directorate, the cognizant Program/Project Manager, or the cognizant staff official, as applicable, who reports directly to the Head of the Installation, and by the Procurement Officer.

(A) **Over $5,000,000 but less than $10,000,000 for --**

- Stennis Space Center
- Headquarters Contracts and Grants Division
- Space Station Procurement Office
- NASA Resident Office--JPL

(B) **Over $10,000,000 but less than $25,000,000 for --**

- Ames Research Center
- Goddard Space Flight Center
- Johnson Space Center
- Kennedy Space Center
- Langley Research Center
- Lewis Research Center
- Marshall Space Flight Center

(iii) For procurements selected for Headquarters review and approval in accordance with the Master Buy Plan Procedure, the procurement plan shall be submitted for the signature of the Head of the Installation after reviews and written concurrences by the Director or Assistant Director of the cognizant technical directorate, the cognizant Program/Project Manager, or the cognizant staff official, as applicable, who reports directly to the Head of the Installation, and by the Procurement Officer. The procurement plan shall be submitted in original and ten copies to the Assistant Administrator for Procurement(Code HS) for approval.

(iv) The position title shall be shown for each individual signing the procurement plan as required by subdivisions (i) through (iii) above.

(2) Approval of a procurement plan does not constitute approval of any deviations, special conditions, or special clauses that may be required; they must be submitted for review and approval under FAR Subpart 1.4 and/or 18-1.4.

18-7.170 Procurement plan contents.

18-7.170-1 Procurement plans requiring approval by NASA Headquarters.

(a) Procurement plans shall describe the procurement, including options, and later phases contemplated for the same program or project, for example Phase C/D. Approval of the procurement plan does not constitute approval of later phases. In order to consider changes that may occur from an initial procurement, later phases exceeding the thresholds in 18-7.103 above, require approval of a separate plan.

(b) Each procurement plan prepared for approval by NASA Headquarters shall be prepared on NASA Forms 1451 and 1452. Form 1451, Request for Procurement Plan Approval, shall be completed as follows:

(1) **Item 1. A descriptive short title.** In this item, include only a descriptive short title of the procurement. A detailed description of the proposed procurement shall be included in subsequent pages as required. The information to be provided consists of --

(i) A clear and concise description, including intended use, of the item or service to be procured;

(ii) The number of units, delivery schedule, and/or period of performance (note: if a schedule of major events will enhance the plan, it should also be included);

(iii) An identification of any option provision, including the periods covered and estimated costs;

(iv) An identification of any later phases if the procurement is to be a phased procurement including the estimated cost thereof; and

(v) A statement as to whether the contractor will be required to comply with detailed specifications, meet performance requirements, perform a mission, or furnish a level of effort.

(2) **Item 2. Name of installation.** Give the name of the installation responsible for the procurement.

(3) **Item 3. Plan prepared by.** Give the name of the individual who prepared the plan.

(4) **Item 4. Date.** Enter the date the plan is prepared.

(5) **Item 5. Responsible technical office.** Identify the office (by title) that will be responsible for technical monitoring of the contract. Include a technical point of contact and telephone number.

(6) **Item 6. Total estimated cost of this procurement.** Provide one figure for the total estimated cost of the proposed procurement, including options. When options are involved, show the cost for each separately on subsequent pages as a breakout from total cost.

(7) **Item 7. Proposed funding by fiscal year and unique project number (UPN).** Identify the funding amounts by appropriation, fiscal year, and UPN for the procurement covered by the plan. When funding is obtained from multiple projects, provide a complete identification of each fund source. Include the following statement: "Obligations may not exceed those authorized in the Headquarters-approved Annual Operating Plan."

(8) **Item 8. Full and open competition.** Check appropriate box to indicate whether full and open competition is provided for or whether other than full and open competition is contemplated.

(9) **Item 9. Type of contract.** State the type of contract recommended for the procurement. On subsequent pages, discuss the contract type and the rationale for its selection. If an incentive contract is proposed, discuss the type or types of incentive considered most suitable for the accomplishment of the procurement objectives.

(10) **Item 10. Contractor-owned and Government-furnished property.** (i) If the proposed contract, exclusive of options, will be for a shorter period than the useful life, for the program, of any required contractor-owned or leased facilities (as defined in FAR 45.301) and the facilities are unlikely to be needed by the contractor for any purpose other than the program effort being contracted for, then the procurement plan shall discuss the feasibility of the Government acquiring the right to use the facilities for longer than the proposed contract period as well as the proposed procurement strategy for accomplishing this use. The following shall be considered:

(A) If program uncertainties for continuing beyond the contract period of performance are sufficient, it may be in the Government's best interests to acquire use of the facilities during only that time. This strategy may make the facilities more costly to the Government for the contract period than if a contractual arrangement for longer use were made. However, it should reduce the program risks associated with longer Government facilities obligations; and

(B) If it is in the Government's best interests to acquire the right to use the facilities for longer than the proposed contract period in order to take advantage of economies in long-term facilities investment, then the proposed contractor's obligations, the Government's obligations (e.g., contract terms and profit) that will encourage long-term investment, the contract cost strategy for facilities, and funding limitations shall be addressed. There are many alternative long-term investment approaches available for the contracting officer to consider. Some examples of representative strategies include requiring the contractor to --

(1) Enter into a long-term lease of the facilities from a lessor, subject to the lease being canceled if the prime contractor does not continue to perform the requirement throughout the useful life of the facilities (e.g., the contractor is not selected in a subsequent recompetition of the requirement). Using this strategy, the contracting officer should encourage the contractor to seek an option to transfer the lease to a successor contractor;

(2) Purchase the facilities, with depreciation and cost-of-money accelerated for the contract period of performance, at the conclusion of which the Government has a unilateral option to purchase the facilities at the depreciated value (at or near $0) based on the contractor's depreciation schedule. The facilities could then be provided to the successor contractor as Government property (see FAR 30.409-50(e)(5) and 30.409-60(d)); and

(3) Purchase the facilities, with depreciation and cost-of-money over the useful life (determined without regard to program or contract duration; see FAR 30.409-40(b)(1)) of the facilities. At the completion of the contract period of performance, either the Government would purchase the facilities at their depreciated value, or the successor contractor would be required to purchase the facilities, also at their depreciated value, and continue the prior contractor's depreciation approach.

(ii) Indicate, by checking the appropriate box, whether the procurement will require providing any existing, new, or modified Government property. When other Government property is to be provided, identify the items and dollar amounts involved. The dollar amounts provided in Item 10 shall not be included in those specified under Items 6 and 7 unless the property or facilities are part of the procurement. If dollar amounts in Item 10 are included under Items 6 and 7, they should be so annotated under this item on the following pages.

(11) **Item 11. Procurement action schedule.** Indicate the date the procurement plan was submitted to Headquarters for review and approval. For all other entries, provide only the number of calendar days required to complete the action (beginning at the time the previous action was scheduled to be completed) in order to meet the program schedule.

(c) **Additional pages.**

(1) *General.* Additional pages to the plan should include any information required from the Form 1451 items. Include any comments required by paragraph (a) above not covered elsewhere and any other information needed to amplify or clarify any item. In addition --

(i) Identify any deviations from the FAR or NFS (A separate request for deviation must be submitted. See 18-7.103(b)(2) above.);

(ii) Identify any special conditions or clauses required;

(iii) Identify all separate approvals required in support of the proposed procurement;

(iv) Include a copy of any comments by legal counsel for the contracting office (or a statement that counsel has no objection to the plan), and describe actions taken in response to them (counsel's concurrence will satisfy this item); and

(v) Discuss consideration given to participation by small business, including minority business enterprises.

(2) ***Competition.*** Describe how competition will be sought and promoted. If appropriate, discuss how it will be sustained through the course of the acquisition. If full and open competition is not contemplated, cite the authority in FAR 6.202 or 6.302; identify the source(s); and discuss why it cannot be obtained. When effective subcontract competition is both feasible and desirable, describe how such subcontract competition will be sought, promoted, and sustained throughout the course of the competition. Identify any known barriers to increasing subcontract competition and address how to overcome them.

(3) *Relationship to other procurements, relevant data, and studies.* Discuss the relationship of this procurement to any active contracts, including their status of completion. Identify the extent to which their product may affect this procurement. Indicate whether performance under them should be permitted to continue during the competitive phase of this action. Discuss all relevant data and studies, whether obtained under contract or through in-house efforts, and state whether they will be made available to all offerors participating in the competition. If data or studies are available, but it is not planned to make them available to prospective offerors, state why.

18-7.170-2 Procurement plans requiring approval at the installation level.

Procurement plans prepared for installation-level approval shall be prepared in accordance with 18-7.170-1 or in the format prescribed by the installation.

18-7.170-3 Assistance in providing for reliability assurance in procurement plans.

When system hardware costing over $1,000,000 is involved, reliability personnel at the field installation shall assist in procurement-plan preparation with respect to arrangements for reliability monitoring. In the absence of reliability personnel, the field installation shall seek the advice and assistance of the Director, Reliability, Maintainability, and Quality Assurance, NASA Headquarters, Code QR, or a designee in the preparation of procurement plans.

SUBPART 18-7.2 PLANNING FOR THE PURCHASE OF SUPPLIES IN ECONOMIC QUANTITIES

18-7.204 Responsibilities of contracting officers.

(a) The contracting officer shall transmit in writing to the cognizant inventory management/requirements office either the actual offeror responses or a summary of their salient points. This does not preclude preliminary oral consultations. The transmittal should be made within five working days after the closing date for receipt of offers; however, in negotiated acquisitions, if a response indicates a significant price variation, it should be transmitted immediately.

(b) All transmittals shall request the recipient to specify promptly whether the acquisition should be amended, cancelled, or concluded as is. Although award or negotiation need not be delayed pending a reply unless a potential for significant savings is apparent, such delay is encouraged when feasible in negotiated acquisitions in order to accommodate the intent and purpose of review of the data by the inventory management/requirements office. In sealed-bid acquisitions, the policy in FAR 14.404-1(a) applies.

SUBPART 18-7.3
CONTRACTOR VERSUS GOVERNMENT PERFORMANCE

18-7.303 Determining availability of private commercial sources.

NASA procedures for periodic inventories and reviews of commercial and industrial activities are contained in NMI 7410.3, Delegation of Authority for Acquisition of Commercial or Industrial Products or Services for NASA's Use.

18-7.307 Appeals.

NASA appeals procedures are contained in NMI 7410.3.

SUBPART 18-7.70
SOLICITATION PROVISION

18-7.7001 Estimate of work.

The contracting officer may insert a provision substantially as stated at 18-52.207-70, Estimate of Work, in solicitations if (a) mission suitability is considered more important than cost, (b) there is no other method to define the amount of work contemplated, and (c) use of the provision is approved at least one level above the contracting officer. Insert the total estimated value of the procurement.

SUBPART 18-7.71
MASTER BUY PLAN PROCEDURE

18-7.7100 Scope of subpart.

This subpart prescribes the Master Buy Plan Procedure, contains requirements for furnishing advance information to NASA Headquarters on proposed procurements that meet the criteria in this subpart, and prescribes procedures for selecting those procurement documents that are to be subject to NASA Headquarters review and approval and those that are to be processed at the installation level. This subpart also prescribes the approval requirements for those documents that are to be processed at the installation level.

18-7.7101 Policy.

The Master Buy Plan Procedure is designed to enable management to focus its attention on a representative selection of high-dollar-value and otherwise sensitive procurement actions without compromise of Headquarters visibility of or control over essential management functions.

18-7.7102 Applicability.

(a) The Master Buy Plan Procedure applies to each negotiated procurement where dollar value, including the aggregate amount of follow-on procurements (see 18-7.103(b)(2), is expected to equal or exceed that in paragraph (b) below, for the installation making the award. In order to conduct the reviews required by FAR 8.307-1(b) for separate contracts, this procedure applies also to procurement of utility services when an areawide contract is not used and either --

(1) The annual cost of the services to be procured is estimated by the using installation, at the time of the initiation of the service or annual renewal of the expenditure, to exceed $150,000; or

(2) Except for communication services, a proposed connection charge, termination liability, or any other facilities charge to be paid (whether or not refundable) is estimated to exceed $75,000.

(b) The following are monetary limitations under the Master Buy Plan procedures:

(1) $10,000,000
John C. Stennis Space Center
Headquarters Contracts and Grants Division
Space Station Procurement Office
NASA Resident Office--JPL

For the purpose of the initial Master Buy Plan submission only, any of the above installations not having any procurements at or above the $10 million limitation shall submit the three largest procurements over $5 million.

2) $25,000,000
Ames Research Center
Goddard Space Flight Center
Johnson Space Center
Kennedy Space Center
Langley Research Center
Lewis Research Center
Marshall Space Flight Center

(c) The monetary limitations in paragraph (b) above apply also to the following:

(1) Any supplemental agreement (except one providing only for the addition or deletion of funds for incremental funding purposes) that contains either new work, a debit change order, or a credit change order (or any

combination/consolidation thereof), if either the new work or an individual change order or the aggregate of two or more actions equals or exceeds the dollar value in paragraph (b) above for the installation making the award.

(2) Any supplemental agreement that contains one or more elements (new work and/or individual change orders) of a sensitive nature that, in the judgment of the installation or Headquarters, warrants Headquarters consideration under the Master Buy Plan Procedure, even though the monetary amount under consideration might not equal or exceed the installation's limitation in paragraph (b) above.

(d) The Master Buy Plan Procedure does not apply to termination settlement agreements (see FAR Part 49).

18-7.7103 Submission, selection, and notification procedures.

18-7.7103-1 Submission of Master Buy Plan.

(a) Prior to July 15th of every year, each installation shall submit to the Assistant Administrator for Procurement (Code HS) a Master Buy Plan (original and eight copies) for the next fiscal year, listing in it every known procurement that (1) meets the criteria in 18-7.7102, (2) is expected to be initiated in that fiscal year, and (3) has not been included in a previous Master Buy Plan or amendment to a Master Buy Plan. The plan shall include any phased procurement whose overall value exceeds the dollar threshold in 18-7.7102, even if the value of the initial phase (normally Phase B) is under the threshold.

(b) Plans shall be prepared in accordance with 18-7.7107 and shall identify the individual procurement documents involved for every procurement listed. Procurement documents that may require Headquarters approval will be held in abeyance until receipt of the notification required by 18-7.7103-3. This is not to preclude the planning for or initiation of such documents up to that point where Headquarters approval may be required.

(c) The fiscal year Master Buy Plan shall list those procurements selected for Headquarters review and approval from prior Master Buy Plans and amendments to Master Buy Plans that have not been completed. These procurements should be listed by the appropriate fiscal year Master Buy Plan; include the individual item numbers and current status of the individual procurement documents previously selected for Headquarters review and approval.

18-7.7103-2 Submission of amendments to the Master Buy Plan.

(a) Procurements identified by installations after submission of their Master Buy Plan and meeting one of the criteria in 18-7.7102 shall be submitted to Headquarters in accordance with 18-7.7107. Such amendments shall be submitted sufficiently in advance of contract award date to allow Headquarters to select those procurement documents that will be subject to Headquarters review and approval without creating an unacceptable delay in contract placement.

(b) When timely submittal is not possible, the installation shall provide with the amendment a narrative explaining the circumstances leading to the late submittal. Master Buy Plan submissions should not be accomplished after the fact. A Master Buy Plan submission for a contract change order expected to meet the criteria in 18-7.7102 shall be submitted to Headquarters immediately upon issuance of the change order.

18-7.7103-3 Selection and notification procedures.

(a) The Assistant Administrator for Procurement or a designee shall select procurement documents from the Master Buy Plan and amendments to Master Buy Plans to receive Headquarters review and approval and shall designate source selection officials.

(b) When, subsequent to document selection or delegation, a procurement is changed (for example, increase or decrease in dollar amount, change in requirement), cancelled, superseded, deferred, or becomes no longer subject to the Master Buy Plan procedures in accordance with the criteria in 18-7.7102, the installation shall immediately notify the Assistant Administrator for Procurement (Code HS), giving the reasons. The Assistant Administrator for Procurement or a designee shall notify the installation's procurement office in writing of any further action that may be required.

18-7.7104 Procurement documents selected for Headquarters review and approval.

(a) **General.** The cognizant installation shall ensure that procurement documents selected for Headquarters review and approval under this procedure are submitted in accordance with this subpart.

(b) **Request for Proposals (RFP) review and approval.** Should the RFP be selected for Headquarters review and approval, the installation procurement office shall submit ten copies of the RFP to the Assistant Administrator for Procurement (Code HS), along with the source evaluation board evaluation methodology, including the rationale for selecting the associated evaluation criteria, the expected significant discriminators that should result, and the proposed method to be used in developing the source evaluation board probable cost comparison. Any other significant cost or other factors that are expected to have a bearing on the evaluation should be discussed.

18-7.7105 Acquisition strategy meeting (ASM).

(a) As a result of the Master Buy Plan review, a decision to have an ASM at Headquarters may be made. The ASM is a meeting in which all parties from Headquarters and the installation with an interest in the procurement come together to discuss all of its aspects and to resolve any major issues before processing the formal documentation.

(b) The objective of an ASM is to provide sufficient business and programmatic planning as early as is feasible in the acquisition of a product or service. An ASM is conducted as an early planning session to develop an agreed-upon systematic approach to achieve an economical, efficient, and effective acquisition. Recommendations resulting from the ASM are advisory in nature. The ASM shall be scheduled by the Code HS procurement analyst responsible for the procurement. Attendance will be coordinated between the Code HS analyst and the installation's procurement office. It is expected that the following offices will participate:

(1) Headquarters: cognizant program office; procurement; comptroller; safety, reliability, maintainability, and quality assurance; and legal;

(2) Installation: project office, procurement, and other offices as determined by the installation.

(c) The meeting shall normally be chaired by the Director, Program Operations Division (Code HS) or the designee of the Assistant Administrator for Procurement (Code H).

(d) A summary of any decisions, actions, and conclusions as a result of the meeting shall be prepared by the Code HS analyst and be distributed to all participants for information and/or action.

18-7.7106 Procurement documents not selected for Headquarters review and approval.

(a) Procurement documents not selected for Headquarters review and approval shall be processed at the installation level. For such procurements, the following documents, to the extent applicable, shall be approved by the head of the installation: procurement plans and prenegotiation positions. If the procurement is subject to the Source Evaluation Board Handbook, the head of the installation shall sign the source evaluation board appointment letter and shall normally be the source selection official.

(b) If the procurement is between $10,000,000 and $25,000,000 and the installation's Master Buy Plan limitation is $10,000,000, the head of the installation shall ordinarily be the source selection official, but may delegate this authority to cognizant management officials. The head of the installation may delegate the authority to approve procurement plans and to sign source evaluation board appointment letters to the installation's deputy or associate director. The head of the installation may redelegate the authority to approve prenegotiation positions to the level of the Procurement Officer.

(c) Requests for proposals shall be approved as directed by the Procurement Officer, commensurate with the sensitivity or significance of the procurement. Contracts (including supplemental agreements) not selected for Headquarters review and approval under the Master Buy Plan Procedure shall be subject to approval by the Procurement Officer. The signing of those documents by the Procurement Officer, as the contracting officer, constitutes such approval. The approvals required above may not be redelegated.

(d) Procurement documents authorized to be processed at the installation level will be subject to after-the-fact reviews by Headquarters personnel during normal procurement surveys or as the situation may otherwise indicate or through special reviews. Procurement delegations to the field installations may subsequently be rescinded if a Headquarters review is deemed appropriate.

18-7.7107 Format of Master Buy Plan.

In accordance with the requirements of 18-7.7103-1 and 18-7.7103-2, Master Buy Plans and amendments to Master Buy Plans shall be prepared in accordance with the format illustrated in Table 18-7-1.

MASTER BUY PLAN PROCEDURE

TABLE 18-7-1

FORMAT
MASTER BUY PLAN PROCEDURES

Line Item No.: __________ FY ________ Page No.: _________

Installation: ___________ Date: ___________

(1) Cognizant Headquarters Office	(2) Descriptive Title of Procurement	(3) Estimated Dollar Value	(4) ASM	(5) JOFOC	(6) Proc Plan	(7) RFP	(8) SEB	(9) Pre-Neg	(10) Contract Review

(11) Current Status

(12) Remarks

INSTRUCTIONS

General

1. Prepare on 8-1/2" x 11" paper.
2. List only one procurement on each page and number each page. Sequentially number each procurement action with a two digit "Line Item Number" beginning with "01 for each annual submission and subsequent amendments.
3. For the initial submission only, list procurements and their current status from prior fiscal year(s) Master Buy Plans and amendments to MBPs that have not been completed.
4. Do not reproduce these instructions on the submission.

Supplementary instructions by heading number

(1) Include letter code and Headquarters contact, if known.
(2) Include an "N" to indicate new procurement or "FO" to indicate follow-on procurement.
(3) A range of dollar values may be used, if the exact value is unavailable. Express the range as $10M to $25M, $25M to $50M, and so forth in $25M increments. Include all phases of the procurement.
(4) Installation recommendation ("Y" or "N") that an Acquisition Strategy Meeting be held. (The final decision will be made by Headquarters upon review of the MBP submission).
(5)-(10) Use "X" to indicate applicable documents.
(11) Status should include scheduled date for next event. (Complete horizontally.)
(12) Include data considered pertinent and indicate expected date for placement of contract. If less than full and open competition is involved, indicate the authority being used, identify the firm(s) to which the procurement is being limited, and indicate the current status of the justification document. Include the name and FTS number of the cognizant installation procurement person. (Complete horizontally.)

PART 18-8

REQUIRED SOURCES OF SUPPLIES AND SERVICES

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PART 18-8
REQUIRED SOURCES OF SUPPLIES AND SERVICES

18-8.002 Use of other Government supply sources.

18-8.002-70 Procurement of materials from the Surplus, Strategic, and Critical Materials Stockpile.

(a) The General Services Administration (GSA) is responsible for disposing of strategic and critical materials in excess of national stockpile requirements. These materials, primarily metals, ores, chemicals, and similar raw material items, are listed and described in a GSA bulletin disseminated periodically to procurement officers.

(b) Before initiating procurements of materials listed as being available from GSA, the contracting office should screen the list to determine whether the requirement can be met through transfer of material from GSA. Due consideration should be given to the quantity, quality, and location of the material and to the timeliness of its availability. Detailed information on excess material is available from GSA, Office of Stockpile Management, Room 5028, 18th and F Streets, N.W., Washington, DC 20405.

18-8.002-71 Acquisition of helium.

(a) NASA is required by Public Law 86-777 (50 U.S.C. 167a et seq.) to obtain its major requirements for helium from the Department of the Interior.

(b) Each contracting office shall obtain its requirements for gaseous helium from the Department of the Interior (Bureau of Mines) or another Government support activity supplying Bureau of Mines helium.

(c) Requirements for (1) liquid helium or (2) gaseous helium of a quality not supplied by the Bureau of Mines may be procured from commercial sources, provided such sources are qualified by the Bureau of Mines and included in the Bureau of Mines publication, "List by Shipping Points of Private Distributors Eligible to Sell Helium to Federal Agencies." Copies of this publication may be obtained from Bureau of Mines, Helium Operation, P.O. Box H4372, Herring Plaza, Amarillo, TX 79101.

(d) The contracting officer shall provide a copy of each contract or purchase order for the supply of helium from commercial sources to the Bureau of Mines, at the address in paragraph (c) above.

(e) The clause at 18-52.208-83, Acquisition of Helium, specifies requirements for contractors consistent with this subsection.

18-8.002-72 Acquisition of radioisotopes.

(a) DOE Form 5400.3, U.S. Department of Energy Isotope Order Blank, and NRC Form 313, U.S. Nuclear Regulatory Commission Application for Material License, shall be used to acquire radioisotopes, as stated on the back of DOE Form 5400.3. No other type of order blank, purchase order, or contract may be used in lieu of these forms.

(b) NRC Form 313 shall be filed with the Chief, Radioisotopes Licensing Branch, Division of Fuel Cycle and Material Safety, United States Nuclear Regulatory Commission, Washington, DC 20555. If the application meets all regulatory requirements and applicable standards, the Radioisotopes Licensing Branch, Nuclear Regulatory Commission, will issue a license to the applicant. After receipt of the license, a completed DOE Form 5400.3 (in duplicate, if the contracting office wants an accepted copy of the form back from the supplier), the license, and a Government bill of lading shall be sent to the appropriate DOE laboratory. If a bill of lading is not furnished, shipment shall be made collect on a commercial bill of lading, to be converted at destination.

(c) The "Terms and Conditions" on DOE Form 5400.3 shall control all requisitions for radioisotopes purchased by NASA from Department of Energy Laboratories.

(d) NRC Form 313 and DOE Form 5400.3 shall be requisitioned directly from United States Nuclear Regulatory Commission, Attn: Radioisotopes Licensing Branch, Division of Fuel Cycle and Material Safety, Washington, DC 20555.

18-8.002-73 Acquisition of liquid hydrogen.

(a) To ensure that adequate supplies of liquid hydrogen are readily available to meet current and future program requirements, NASA has established contractual arrangements with various supply sources. These contracts shall be used to the maximum extent practicable in supplying both in-house and contractor requirements for liquid hydrogen.

(b) Requests for liquid hydrogen shall be submitted to the John F. Kennedy Space Center, National Aeronautics and Space Administration, Kennedy Space Center, FL 32899, Attn: Director of Center Operations.

18-8.002-74 Acquisition of propellants.

(a) **General.** The Department of the Air Force has assigned the operational authority and responsibility for acquiring and distributing missile propellants and related items to the San Antonio Air Logistics Center (SA-ALC), Kelly Air Force Base, Texas. Propellants (i.e., oxidizers and fuels), pressurants, and related materials are financed under a single Air Force appropriation designated the Missile Procurement Fund (MPF). Supplies are obtained by SA-ALC from Government-owned, contractor-operated plants and by consolidated acquisitions from industry. NASA and its contractors (when materials are Government-furnished) may acquire from SA-ALC the items listed in paragraph (j) below (except for liquid hydrogen; see 18-8.002-73) on a reimbursable basis. The Air Force MPF shall be utilized as a supply source for propellants whenever there are economic or other advantages to the Government. Field installations and offices obtaining supplies from the MPF shall comply with the reporting requirements of paragraph (f) below.

(b) **Requests for acquisition.** To obtain the materials listed in paragraph (j) below from the Air Force MPF, NASA contracting offices will execute a NASA-Defense Purchase Request (NASA Form 523) (see 18-53.303-523) and forward it to Headquarters, SA-ALC, Kelly Air Force Base, TX 78241, Attention: SFS. The following additional information should be provided on the form:

(1) Contract number (when material is required for use by a NASA contractor).

(2) Delivery address.

(3) Mode of transportation (rail, trailer, barge, etc). When the procurement request covers requirements for materials not previously forecasted or covers significant changes to previously reported requirements, SA-ALC should be notified immediately of such requirements.

(c) **Delivery requests.**

(1) A delivery request is a call on the Air Force, made against a

NASA-Defense Purchase Request (NASA Form 523), specifying the time and place of delivery. On the basis of the estimated requirements, the Air Force will notify NASA field installations and contractors of the name and address of the Air Force office or producing contractor's plant to which requests for delivery of materials shall be made. Delivery requests may be placed by any means of communication that time justifies; however, all verbal requests for delivery must be confirmed in writing within 24 hours. The delivery request, whether oral or written, must cite the NASA-Defense Purchase Request number under which the material is being ordered and contain the following information:

(i) Nomenclature and National Stock Number.

(ii) Quantity.

(iii) Program, project, and task.

(iv) Contract number (when material is required for use by a NASA contractor).

(v) Delivery address.

(vi) Dates of delivery.

(vii) Mode of transportation.

(viii) Location of weighing stations and scales (if weighing of the products before delivery is required).

(2) Each delivery request shall be numbered as follows to simplify identification and control: the last two digits of the calendar year; a dash; and a consecutive number beginning with 1 to run throughout the year (e.g., 89-5, for the fifth request made in 1989). Changes to a request are identified by adding an alphabetical designator beginning with (A) to the number. This system is not intended to replace or to interfere with existing NASA purchase order numbering or internal budget or accounting numbering procedures.

(d) **Receiving procedures.**

(1) *Receiving documents.* Receipt of materials shall be evidenced on the receiving document received with the shipment by the signature of an individual authorized by NASA to receive materials from the Air Force. Every effort should be made to ensure that the NASA-Defense Purchase Request number is recorded on the receiving document before signing.

(2) *Weighing facilities.* Local weighing facilities (NASA-owned, contractor-owned, commercial, or State-operated) may be used to determine quantities of product received. If a discrepancy exists between the quantities shown on receiving documents and the quantities actually received --

(i) A certified weighing ticket evidencing actual weight at destination shall be obtained; and

(ii) A copy of the receiving document (AF Form 857 or DD Form 250) and the original weighing ticket shall be forwarded to Headquarters, SA-ALC, Kelly Air Force Base, TX 78241, Attention: ACFOM, identifying the discrepancy.

(3) *Distribution of receipts.* Copies of all receiving documents except the AF Form 857 shall be transmitted to the Headquarters, SA-ALC, Kelly Air Force Base, TX 78241, Attention: SACAOM. Receiving documents may be accumulated and submitted on the 10th, 20th, and last day of each month.

(e) **Billing.** The costs of materials obtained through the MPF are reimbursable. After delivery, a Standard Form 1080 (Voucher for Transfers Between Appropriations and/or Funds (Disbursement)), supported by documentary evidence of delivery, will be submitted by Headquarters, SA-ALC to the NASA installation designated in the NASA Form 523.

(f) **Reporting requirements.**

(1) Field installations shall submit periodic estimates of requirements for materials listed in paragraph (j)

below for all programs under their cognizance, including in-house contractor requirements. Headquarters Program Offices shall submit periodic estimates of requirements for any existing or potential programs that may not be known to or under the cognizance of a field installation. Reports shall be submitted in duplicate on AF Form 858, Forecast of Propellant Requirements.

(2) The reports shall be forwarded so as to reach Headquarters, SA-ALC, Kelly AFB, TX 78241, Attn: SFS, no later than June 1 and December 1. Supplemental reports advising of additions to or significant changes in previous reports may be submitted at any time. The reports, covering all materials listed in paragraph (j) below, due in June and December, shall begin with requirements as of the following July 1 and January 1, respectively, and shall cover a 3-year period. Requirements shall be shown by month for the first 6 months, and by quarters for the remaining 2-1/2-year period.

(3) Estimated requirements and other pertinent data required from contractors shall be obtained on Air Force Form 858.

(g) **Report content.** Reports shall be made using a separate report form for each material and shall provide, for each item of material, the --

(1) Contract number;

(2) Program and/or project;

(3) Specific task within the project;

(4) End use when not associated with the named program or project;

(5) Contractor's name;

(6) Specific location of use (shipping destination); and

(7) Planned source of supply.

(h) **Basis for developing materials requirements.** In computing requirements, consideration shall be given to such elements as lead time, waste factors, transfer, and storage losses so that phased requirements reflect the total gross quantities required to be delivered to the use or storage site. Since the requirements estimates are being used by other Government agencies acting as supply sources to contract for materials, estimates must be as accurate as possible.

(i) **NASA coordination.** The Kennedy Space Center shall coordinate the review of all data and establish NASA policy and procedures. The data shall be used as the basis for NASA requirements reports to various Government agencies for planning and supply support.

(j) **Table of reportable materials.**

Ammonia, Technical (Anhydrous) (Low Oil Content) 99.97 percent purity, Spec 0-A-445

Argon Gas, 6000 PSI, AFPID 6830-5

Propellant, Ammonia, Liquid, Anhydrous 99.5 percent purity, Spec MIL-P-27406

Propellant, Chlorine Trifluoride, Spec MIL-P-81399

Propellant, Deuterium, Gaseous, AFPID 9135-20

Propellant, Fluorine, Gaseous, Spec MIL-P-27405

Propellant, Fluorine, Liquid, Spec MIL-P-27405

Helium, Technical Grade A, Spec BB-H-1168

Propellant, Isopropyl Alcohol, AFPID 9135-18

Propellant, Hydrazine, Standard Grade, Spec MIL-P-26536

Propellant, Hydrazine, Monopropellant Grade, Spec MIL-P-26536

Propellant, Hydrazine/Unsymmetrical Dimethylhydrazine, Spec MIL-P-27402

Propellant, Hydrogen, Gaseous, Type I, Spec MIL-P-27201

Propellant, Hydrogen, Liquid, Type II, Spec MIL-P-27201

Propellant, Hydrogen Peroxide, Spec MIL-P-16005

Propellant, Hydrogen Peroxide, Electrolytic Process, Spec MIL-P-16005

Propellant, Jet Fuel, Grade RJ-1, Spec MIL-F-25558
Propellant, JPX, 50% UDMH-50% JP-4, Spec MIL-P-26694
Propellant, JPX, 17% UDMH-83% JP-4, Spec MIL-P-26694
Propellant, Kerosene, Grade RP-1, Spec MIL-P-25576
Propellant, Monomethly Hydrazine, Spec MIL-P-27404
Propellant, Neon, Liquid, AFPID 9135-16
Propellant, Nitric Acid, Type IIIB, Spec MIL-P-7254
Propellant, Nitric Acid, Type III LS, Spec MIL-P-7254
Propellant, Nitric Acid, Type IV (High Density Acid), Spec MIL-P-7254
Propellant, Nitrogen Tetroxide (NTO) (MON-1)(MON-3), Spec MIL-P-26539
Propellant, Nitrogen Tetroxide (NTO), MIL-P-26539
Propellant, Nitrogen Tetroxide (MON-1), Spec MIL-P-26539
Propellant, Nitrogen Tetroxide (MON-3), Spec MIL-P-26539
Propellant, Oxygen, Grade B, Spec MIL-P-25508
Propellant, Oxygen, Grade A, Spec MIL-P-25508
Propellant, Oxygen, Grade F, Spec MIL-P-25508
Propellant Pressurizing Agent, Helium, Spec MIL-P-27407, 99.995 pct min assay
Propellant Pressurizing Agent, Nitrogen, Type II, Liquid Grade C, Spec MIL-P-27401
Propellant Pressurizing Agent, Nitrogen, Type I, Gaseous Grade A, Spec MIL-P-27401
Propellant Pressurizing Agent, Nitrogen, Type I, Grade B, Spec MIL-P-27401
Propellant Pressurizing Agent, Nitrogen, Type II, Grade A, Spec MIL-P-27401
Propellant Pressurizing Agent, Nitrogen, Type II, Grade B, Spec MIL-P-27401
Propellant, Unsymmetrical Dimethylhydrazine, Spec MIL-P-25604
Propellant, Nitrogen Trifluoride Spec MIL-P-87896
Propellant Pressurizing Agent, Argon, Liquid, AFPID 9135-19

18-8.002-75 Acquisition of mercury.

(a) NASA is prohibited from purchasing mercury in quantities of 76 pounds or more from commercial sources without prior clearance from GSA.

(b) Mercury, minimum 99.9 percent pure (not triple distilled), in 76-pound flasks, is available for transfer from GSA stocks at fair market value.

(1) Requests for mercury by NASA installations for their use or for use by their cost-reimbursement type contractors shall be made to the Project Manager, Mineral and Ores, Property Management and Disposal Services, GSA, Washington, DC 20405. The Project Manager will furnish the current fair market value to NASA. The unit of issue is a 76-pound flask.

(2) Requests for clearance to purchase quantities of 76 pounds or more from sources other than GSA shall be submitted to the office in subparagraph (1) above and must be accompanied by a statement of reasons why the available excess mercury is unsuitable for use by the requesting field installation.

18-8.002-76 Contract clause.

The contracting officer shall insert the clause at 18-52.208-83 in all solicitations and contracts requiring the procurement of helium.

SUBPART 18-8.1
EXCESS PERSONAL PROPERTY

18-8.103 Information on available excess personal property.

In addition to the sources identified in FAR 8.103, information on availability of NASA excess property is maintained by the Installation Property Disposal Officer and the NASA Equipment Management System (NEMS) Coordinator.

SUBPART 18-8.3 ACQUISITION OF UTILITY SERVICES

18-8.301 Definitions.

"Multiple-service locations," as used in this subpart, means the various locations or delivery points in a contractor's service area to which services are provided under a single contract.

"Utility suppliers," as used in this subpart, may be quasi-public service corporations, private concerns, municipalities, associations, or cooperatives. They generally operate in a franchised territory without competition, so they may frequently be in a sole-source position. Under common law, public utilities must render service at reasonable rates and without discrimination. Their operations, management, rates, and profits are usually regulated by Federal, State, or local regulatory bodies, but absence of a regulatory body does not necessarily mean a complete lack of control. Administrative remedies pursuant to enabling statutes may be pursued or complaints may be taken to a court of competent jurisdiction.

18-8.303 General.

(a) Requirements for utility services shall be determined by technically qualified personnel who will assist the contracting officer as required. Before soliciting technical assistance outside the agency (see FAR 8.303(b)), technical personnel shall contact the Facilities Division (Code NX), NASA Headquarters.

(b) Appropriated funds may not be used to purchase electricity in a manner inconsistent with state law governing the provision of electric utility service, including state utility commission rulings and electric utility franchises or service territories established pursuant to state statute, state regulation, or state-approved territorial agreements (Pub. L. 100-202, Sec. 8093, 101 Stat. 1329-79). Before acquiring electric utility service, the contracting officer shall determine whether the manner of acquisition, in particular, competitive acquisition under FAR 8.304-5(d), would be inconsistent with state law. Section 8093 of Pub. L. 100-202 is not intended to affect transfers of electricity to agencies from Federal power marketing agencies or the Tennessee Valley Authority, such as NASA's power allocation from the Western Area Power Marketing Administration. Such transfers do not constitute "purchases" for purposes of section 8093.

18-8.304 Acquiring utility services.

18-8.304-2 GSA areawide contracts.

(a) GSA publishes a checklist of utility services available under its areawide public utility contracts. The checklist specifies contract numbers, expiration dates, companies, and areas served. Copies of the checklist may be obtained from GSA, Public Utility Services Division, Washington, DC 20405 (FTS 566-0901).

(b) In determining whether a GSA areawide public utility contract is adequate to meet requirements, procurement offices should consider (1) the areawide contract rates and volume of service required, (2) any unusual characteristics of the service required, (3) any special equipment or facility requirements, (4) any special technical contract provisions required, and (5) any other special circumstances.

(c) If a procurement officer finds that a separately negotiated contract would be more advantageous to the Government than the GSA areawide public utility contract, the procurement officer shall submit a request to the Assistant Administrator for Procurement, NASA Headquarters (Code HS), for a waiver of the requirement to use the GSA areawide public utility contract. The request shall explain the merit of a separately negotiated contract.

18-8.304-4 Consolidated purchase, joint use, or cross-service.

(a) The Department of Defense (DOD) enters into areawide fuel oil and other energy-service contracts. DOD areawide contracts provide that the contractor shall, upon receipt of an order in the form prescribed by the contract, furnish the service involved without further negotiations as to rates and charges, in accordance with the established and filed rate schedules applicable to the service.

(b) When procuring utility services from another Government agency by cross-servicing, the procurement office shall use a memorandum of understanding specifying the services to be provided and the conditions under which they will be supplied. A Utility Service Narrative shall be submitted in accordance with 18-8.307-70.

18-8.304-5 Agency acquisition.

18-8.304-570 Renewal of contracts.

(a) A contract may be renewed or extended by option, provided that the contract is not in effect for more than a total of 5 successive years.

(b) Contracting officers shall consider selecting an expiration date for the contract sufficiently after the end of the fiscal year to ensure that appropriations will be available when the option is exercised.

18-8.304-571 Headquarters requirement for copies of contracts.

The contracting officer shall forward, promptly after execution, one copy of each contract, service authorization form, memorandum of understanding, and modification to the Assistant Administrator for Procurement, NASA Headquarters (Code HS) and to the Facilities Division, NASA Headquarters (Code NX).

18-8.304-572 Contents of a negotiated utility service contract.

(a) All negotiated utility service contracts estimated to exceed $2,500 annually shall be written in accordance with the directions in subparagraphs (1) through (5) following:

(1) *SF 26.* Use Standard Form 26 (see FAR 53.215-1(b)).

(2) ***Appendix A.*** (i) Include the rate schedule, which shall consist of --

(A) The published rate schedule of the contractor approved or established by a Federal, State, or other regulatory body; or

(B) The rate schedule negotiated between the contractor and the Government.

(ii) The rate schedule shall bear the legend "Appendix A, attached to and made a part of Contract No. ______ ," and be entitled "Rate Schedule." Each page shall indicate its number and the total number of pages comprising Appendix A, as, for example, "page 1 of 3." In addition to stating the rate applicable to the contract, Appendix A shall include any applicable rules or regulations (whether established by the regulatory body, the contractor, or negotiation between the contractor and the Government) pertaining to the Rate Schedule. Appendix A may provide for payment to the contractor of a nonrecurring, nonrefundable fee not exceeding $1,000 for the costs of connecting the contractor's facilities to, and disconnecting them from, the Government's facilities, if the contract period is less than 6 months. In all instances where a connection charge, other than the fee described above, is involved, the "Connection Charge" clause (18-52.208-77) and Appendix C (see subparagraph (4) below) shall be included in the contract.

(3) *Appendix B.* Include the service specifications applicable to the contract, which shall consist of a specially drafted attachment to the contract bearing the legend "Appendix B, attached to and made a part of Contract No. ______ ," and the title of the appropriate service specifications. Each page shall indicate its number and the total number of pages comprising Appendix B, as, for example, "page 1 of 3." Such appendix shall contain as a minimum --

(i) The premises to be served;

(ii) An estimate of the service requirements;

(iii) The point of delivery to the Government;

(iv) A description of the service;

(v) A statement of how the service is to be measured for purposes of billing; and

(vi) A statement of the capacity and flow of the service.

(4) *Appendix C.* Include the connection charge schedule required whenever the contract includes the connection charge clause at 18-52.208-77 or the termination charge clause at 18-52.208-78. It shall bear the legend "Appendix C, attached to and made a part of Contract No. ______ ," and be entitled "Connection Charge Schedule." Each page shall indicate its number and the total number of pages comprising Appendix C, as, for example, "page 1 of 3." The appendix shall contain as a minimum --

(i) A detailed description of the new facilities to be furnished by the contractor; and

(ii) The agreed salvage value of these facilities.

(5) Include any contract clauses required by FAR 8.309 or 18-8.309.

(b) Any negotiated utility service contract estimated not to exceed $2,500 annually shall consist of --

(1) Standard Form 26 (FAR 53.215-1(b));

(2) An Appendix A (see subparagraph (a)(2) above); and

(3) Any contract clauses required by FAR 8.309 or section 18-8.309 of this Regulation.

18-8.305 Rate increases.

(a) When the contractor notifies the contracting officer as provided in the Public Regulation and Change of Rates clause at 18-52.208-71, or whenever the contractor requests that rate changes be negotiated, as provided in the Change in Rates clause at 18-52.208-76, the contracting officer shall notify the Assistant Administrator for Procurement, NASA Headquarters (Code HS) and the Facilities Division, NASA Headquarters (Code NX). The notification shall include sufficient information to permit a determination of the monetary effect of the proposed changes, a recommendation under subparagraph (1) or (2) below, and the basis for the recommendation.

(1) When notice is received that the contractor has filed an application for rate changes before the local regulatory body, the contracting officer shall recommend whether or not the Government should intervene at the hearing on the application. If it is recommended that the Government intervene, the recommendation shall be accompanied by a statement containing the basis for intervention and the extent to which the installation can support intervention by presenting testimony, preparing exhibits, and furnishing legal counsel.

(2) When notice is received that the contractor requests that rate changes be negotiated, the contracting officer shall recommend the position to be taken by the Government regarding the rate changes and state the extent to which installation personnel are available to support this position.

(b) The Assistant Administrator for Procurement, NASA Headquarters, with the technical assistance of the Facilities Division, NASA Headquarters, shall furnish the contracting officer a recommendation concerning the proposed rate changes and the extent to which NASA Headquarters will participate in the intervention before the local regulatory body or in negotiations with the contractor. Before recommending any action, the Assistant Administrator for Procurement, NASA Headquarters shall, as necessary, coordinate with other staff offices or divisions, or other Government agencies. The contracting officer shall await the instructions of the Assistant Administrator for Procurement, NASA Headquarters, for at least 30 calendar days before submitting the matter to GSA (see FAR 8.305(b)) or taking other action concerning the proposed rate changes.

18-8.307 Precontract acquisition reviews.

18-8.307-70 Utility service narrative.

(a) When required by FAR 8.307-1(b), and before initiating negotiations, the contracting officer shall submit a Utility Service Narrative for proposed procurements for new utilities services, renegotiations or extensions of existing utility services, or existing contracts that require a negotiation for change of rate schedules, to the Assistant Administrator for Procurement (Code HS), NASA Headquarters. The Utility Service Narrative shall include --

(1) A brief technical description of the service required or being furnished;

(2) Justification of the reasonableness of the proposed rate;

(3) An outline of the field installation's proposed negotiation tactics, basis for position, and any alternative position;

(4) An estimate of the annual cost of service; and

(5) Other related items, as applicable, such as connection charges, termination liability, facilities charges, requirement for Government capital costs, or any unusual factors affecting the procurement.

(b) The Assistant Administrator for Procurement (Code HS), with the coordination of the Facilities Engineering Division (Code NX), will review the information submitted under paragraph (a) above. If NASA Headquarters desires to participate in the negotiations, the Assistant Administrator for Procurement (Code HS), NASA Headquarters, shall inform the contracting officer within 30 days after receipt of the Utility Service Narrative.

18-8.307-71 Contracts requiring Headquarters approval.

Contracts and supplemental agreements for utility services shall be submitted to the Assistant Administrator for Procurement, NASA Headquarters (Code HS), for approval as required by 18-4.7205 and 18-7.71.

18-8.309 Contract clauses.

As prescribed below, the contracting officer shall insert the following clauses in solicitations and negotiated contracts for utility services. These clauses supplement those prescribed elsewhere in the FAR or this Regulation:

(a) Insert the clause at 18-52.208-70, Rates.

(b) Insert the clause at 18-52.208-71, Public Regulation and Change of Rates, except that the clause at 18-52.208-76, Change in Rates, shall be used if --

(1) The rates applicable to the service furnished under the contract are negotiated between the contractor and the Government without the approval of any Federal, State, or local regulatory agency;
(2) The service to be furnished under the contract is otherwise not subject to regulation by any Federal, State, or local regulatory agency; or
(3) The contractor also acts as the local public regulatory agency and its decisions are not subject to review by a higher regulatory agency;

(c) Insert the clause at 18-52.208-72, Change in Class of Service, in solicitations and negotiated contracts estimated to exceed $2,500.

(d) Insert the clause at 18-52.208-73, Contractor's Facilities, in solicitations and negotiated contracts estimated to exceed $2,500. Insert the clause at 18-52.208-80, Contractor's Facilities (Short Form), when the estimated annual cost is $2,500 or less.

(e) Insert the clause at 18-52.208-74, Technical Provisions, in solicitations and negotiated contracts estimated to exceed $2,500.

(f) Insert the clause at 18-52.208-75, Renewal of Contract, whenever it is desirable that the utility service be provided under the same terms and conditions for more than 1 year (see 18-8.304-570).

(g) Insert the clause at 18-52.208-77, Connection Charge, when (1) a connection charge is to be paid by the Government and (2) the conditions permitting the incorporation of a nonrecurring, nonrefundable fee in Appendix A, the rate schedule applicable to the contract, do not exist. Also attach Appendix C (see 18-8.304-572(a)(4)).

(h) Insert the clause at 18-52.208-78, Termination Charge, when payment is to be made to the contractor upon termination of service in lieu of a connection charge upon completion of the facilities. Use of this clause is subject to Master Buy Plan approval requirements (see 18-7.71). Also attach Appendix C.

(i) Insert the clause at 18-52.208-79, Multiple Service Locations, when it is desired to provide for one or more possible alternative service locations.

SUBPART 18-8.4
ORDERING FROM FEDERAL SUPPLY SCHEDULES

18-8.404 Using schedules.

18-8.404-3 Requests for waivers.

(a) The head of the NASA office initiating the procurement request or a designated representative shall furnish the NASA contracting office a signed statement identifying the supplies or services to be purchased and explaining why similar items listed in the applicable schedule will not meet the requirement.

(b) If a waiver is not granted, the case shall be referred to the Assistant Administrator for Procurement for a final decision as to whether the non-schedule item will be purchased. The Assistant Administrator for Procurement shall promptly notify the Commissioner, Federal Supply Service, GSA, and the contracting office of the decision.

18-8.405 Ordering office responsibilities.

18-8.405-1 Ordering from multiple-award schedules.

(a) If NASA can buy from a schedule contractor for substantially less than the schedule price, the procurement shall be accomplished at the better price. A copy of the order shall be forwarded to GSA in accordance with FAR 8.405-1(d).

(b) The following factors shall be considered when deciding to buy a higher-priced item:

(1) Does its longer useful life justify the higher price?
(2) Do warranties justify the higher price?
(3) Does the availability or cost of maintenance justify the difference in price?

18-8.405-2 Order placement.

Delivery orders shall be issued on Optional Form 347 or an installation-prescribed form as specified in FAR 8.405-2.

SUBPART 18-8.6
ACQUISITION FROM FEDERAL PRISON INDUSTRIES, INC.

18-8.605 Clearances.

(a) NASA purchase orders or contracts written pursuant to a general or blanket clearance need not be supported by a copy of the clearance, but the clearance number must be cited on the purchase order or contract as well as on the initial voucher.

(b) If a formal clearance has been requested, the contracting officer may not consummate the purchase before the formal clearance is issued. A copy of the clearance certificate must be attached to the initial voucher.

(c) When disputes under FAR 8.605(c) occur, the contracting officer shall refer the matter to the Assistant Administrator for Procurement (Code HP) for review and any further action. Such referrals shall include a complete statement of the attempts made to resolve the matter.

SUBPART 18-8.7 ACQUISITION FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

18-8.705 Procedures.

18-8.705-1 General.

(a) When supplies require overseas packaging or packing or are required in carload lots, as described in the Consolidated Freight Classification for the commodity concerned, procurement shall follow the procedure in FAR 8.705-3(b).

(b) The Federal Standard Requisitioning and Issue Procedure (Federal Property Management Regulation, Subpart 101-26.2) shall be used to obtain workshop-produced supplies from GSA supply distribution facilities.

SUBPART 18-8.8
ACQUISITION OF PRINTING AND RELATED SUPPLIES

18-8.802 Policy.

Approval of printing supplies or services in contracts shall be in accordance with NMI 1490.1, NASA Printing Management Program.

18-8.870 Contract clause.

The contracting officer shall insert the clause at 18-52.208-81, Printing and Duplicating, in solicitations and contracts where there is any requirement for significant printing and/or reproduction. Printing in excess of that described in paragraph (c) of the clause constitutes significant printing and/or reproduction.

SUBPART 18-8.11
LEASING OF MOTOR VEHICLES

18-8.1100 Scope of subpart.

NASA procedures for leasing motor vehicles from GSA or commercial sources are contained in NMI 6720.1, NASA Motor Vehicle Management.

PART 18-9

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PART 18-9
CONTRACTOR QUALIFICATIONS

SUBPART 18-9.1
RESPONSIBLE PROSPECTIVE CONTRACTORS

18-9.102 Applicability.

18-9.102-70 Procurements from Canadian sources of supply.

(a) Awards to Canadian sources of supply are subject to FAR Subpart 9.1. A Canadian firm proposed by the Canadian Commercial Corporation (CCC) as its subcontractor generally shall be accepted as responsible by the contracting officer under the provisions of FAR 9.104-4(a). When the firm proposed by CCC is so accepted, preaward survey forms need not be completed.

(b) The contracting officer, when the CCC proposal is not consistent with other available information, shall request from CCC and any other appropriate sources additional information or plant surveys needed in order to make the determination of responsibility required by FAR 9.103(b). The additional data may be requested on the preaward survey forms or on any other forms. Upon request, CCC shall be furnished the reasons for the rejection of its proposed firm.

18-9.106 Preaward surveys.

18-9.106-1 Conditions for preaward surveys.

In addition to the circumstances enumerated in FAR 9.106-1(a), preaward surveys normally are not required when --

(a) The contract is for study or research only;

(b) The data necessary for a responsibility determination are available from other sources;

(c) The pending contract will be a definitive contract superseding a letter contract;

(d) An order is placed under an existing contract; or

(e) The source has been recommended by a NASA Source Evaluation Board.

18-9.106-70 NASA Preaward surveys.

(a) **Preaward survey procedures.** Preaward surveys shall be conducted in compliance with FAR Subpart 9.1 and this subsection 18-9.106-70.

(b) **General.** Paragraphs (c) through (k) following establish detailed procedures for conducting preaward surveys, including preaward surveys conducted by NASA, those conducted by another agency for NASA, and those jointly conducted.

(c) **Definitions.**

"Monitor," as used in this subsection, means the person designated to administer the preaward survey in accordance with subparagraph (f)(2) below.

"Team coordinator," as used in this subsection, means the person designated by the monitor to coordinate the on-site survey, arrange for plant visits, and conduct team conferences as necessary before, during, and after the plant visit.

"Preaward survey review board" means a board established to review and approve or disapprove preaward survey reports.

(d) Procedure for requesting preaward survey.

(1) A preaward survey shall be requested on Standard Form 1403, Preaward Survey of Prospective Contractor (General). The requestor shall indicate in Section III of the SF 1403 the scope of the survey desired. Factors requiring emphasis not enumerated in Section III should be listed under block 20.G. of that section. The "Walsh-Healey Public Contracts Act" block of Section I is for information purposes only. If information is needed for a determination on the offeror's eligibility under the Walsh-Healey Act, it must be specifically requested in block 20.G. of Section III. A survey may be requested by telegraphic communication containing the data required by Sections I, II, and III of SF 1403. A survey may be requested by telephone but shall be immediately confirmed on SF 1403. Unless previously furnished, a copy of the solicitation and such drawings and specifications as the contracting office deems necessary shall be supplied with the preaward survey request.

(2) Any information indicating previous unsatisfactory contract performance shall be furnished the survey activity with the preaward survey request, unless it is known that the survey activity already has this information.

(3) The request for preaward survey shall be forwarded in an original and three copies to the responsible survey activity. If the survey activity is a DOD agency, the request is to be sent to the appropriate office shown in the DOD Directory of Contract Administration Services Components, DOD 4105.59-H, Attn: Preaward Survey Monitor. The date on which the completed survey report is desired should be indicated; DOD normally allows seven working days in which to conduct a full survey and submit the report to the requesting agency.

(e) Scope of survey.

(1) A complete survey encompasses (i) investigation, to the extent applicable to the proposed contract, of the factors listed in Section III of SF 1403, together with other requirements of special inquiry as requested by the contracting officer, and (ii) submission of appropriate findings.

(2) A partial survey encompasses (i) investigation of those factors referenced in subparagraph (1) above that are specifically requested by the contracting officer and any other factors considered advisable by the activity conducting the survey, and (ii) submission of appropriate findings.

(3) The activity conducting the survey may execute and transmit to the contracting officer a short-form preaward survey report when sufficient current favorable information is available to recommend award without a formal survey. The SF 1403 will be used as the survey report in accordance with procedures outlined in subparagraph (f)(1)(iv) below. If the contracting officer needs additional information on contractor capability, the activity conducting the survey may be so advised, and a detailed survey report shall be provided.

(f) Contracting office procedure.

(1) *General.*

(i) Preaward surveys shall normally be conducted within seven working days after receipt of the request and in the detail requested by the contracting officer. In unusual situations, reports of surveys may be requested in a shorter time if the situation so warrants. Qualified specialists responsible for the factors referenced in subparagraph (e)(1) above shall participate as required.

(ii) Representatives of the contracting office and other activities shall participate in preaward surveys when requested by the contracting officer or as desired by the contracting office.

(iii) If the preaward survey cannot be accomplished within the time allowed, the contracting officer shall be so notified. If the date is not extended, the preaward survey monitor shall supply a definite recommendation by the date required, based on the material at hand or developed by that time. The basis for the recommendation and the factors for which no data or only partial data could be obtained shall be indicated.

(iv) When the activity conducting the survey possesses sufficient current favorable information about an offeror to recommend award without performing a formal survey, a short-form preaward report consisting solely of SF 1403 may be executed and forwarded to the contracting officer unless the contracting officer has requested additional information (see paragraph (e) above). Sections III and IV of the SF 1403 shall be completed and the following statement shall be stamped in block 23, the "Remarks" portion of Section III: SHORT-FORM PREAWARD REPORT. Pursuant to 18-9.106-70(e)(3), complete award is recommended.

(2) ***Designation of preaward survey monitor.*** An individual within each procurement office performing preaward surveys shall be designated as the preaward survey monitor. The monitor shall administer the preaward survey from the receipt of the request through the issuance of the final report to ensure appropriate coverage and maximum efficiency. The monitor shall take the actions listed in subdivisions (i) through (xiii) following:

(i) Receive all incoming preaward survey requests.

(ii) Ascertain whether the prospective contractor is included on the List of Parties Excluded from Federal Procurement or Nonprocurement Programs for any reason, including those attributable to equal employment opportunity practices. (If the prospective contractor is listed, the contracting officer shall be promptly advised and the preaward survey shall not be completed, unless specifically requested by the contracting officer.).

(iii) Compare the survey request with the requirements of the solicitation.

(iv) Determine the need for an on-site survey after reviewing the type and quantity of items or services involved, previous experience with the firm, the technical and schedule requirements, and the extent of other information currently available. If an on-site survey has been requested and sufficient information is already available in the contracting or other offices (e.g., DOD contract administration office), the monitor shall ask the contracting officer whether an on-site survey must nevertheless be conducted, and for the specific elements to be covered.

(v) Determine and advise the organizational segments of the installation (e.g., engineering, production, reliability and quality assurance, and contract administration) that will furnish team members.

(vi) Provide team members --

(A) The date on which the information is required from each organizational segment;

(B) Identification of the portion of the survey for which each organizational segment is responsible;

(C) Information on whether an on-site survey of the prospective contractor's facility is contemplated (this is subject to later modification on the basis of information supplied by team members);

(D) Any special terms and conditions noted in the solicitation; and

(E) Any other information or guidance the particular request may require.

(vii) After discussion with appropriate organizational segments, designate the team coordinator.

(viii) Arrange for required audit and other external assistance. For example, when award depends upon the contractor's having an adequate cost accounting system for proper postaward administration of the contract, the cognizant audit agency shall be responsible for the system review, evaluation, and conclusive recommendation (SF 1408 is provided for this purpose).

(ix) Coordinate any participation where the preaward survey is being performed for another NASA installation.

(x) Receive reports of the individual team members and review them for completeness and adequate substantiation.

(xi) Resolve questions regarding technical details with responsible specialists.

(xii) Report those applicable procedures of the prospective contractor that have been reviewed by Government personnel (e.g., procurement system, estimating system, accounting system, control of Government property, and quality program).

(xiii) Assemble all necessary survey data into a report, including a recommendation as to award, and submit it to the chairperson of the preaward survey review board.

(3) ***Designation and responsibilities of team coordinator and members.***

(i) When an on-site survey by a team is necessary, members should include specialists qualified to evaluate all appropriate phases of the firm's capabilities. The team coordinator shall arrange for the team's visit to the site, direct the team's efforts, and conduct team conferences for the purposes listed in subdivisions (A) through (C) following:

(A) Arriving at uniform interpretations before holding discussions with the prospective contractor's management.

(B) Briefing team members on their interviews and discussions with officials of the firm before making the on-site survey. Members shall not refer to or comment on the possibility that award will or will not be made to the prospective contractor. This does not preclude discussion with a prospective contractor of questionable areas that in the opinion of the team member require clarification. Information obtained during the survey will be treated in strict confidence and divulged only to those Government representatives having a need to know.

(C) Arranging for discussions among members during and after the on-site survey to ensure that evaluations by individual specialists are integrated, coordinated, and complete.

(ii) When an on-site survey is required for only one aspect of the prospective contractor's capability, a qualified specialist shall be designated to conduct the on-site portion of the survey. One specialist may be designated to investigate more than one aspect when it is within the specialist's capability.

(4) ***Preaward survey review board.***

(i) A preaward survey review board shall be formally established to review and approve survey reports before they are transmitted to the contracting officer.

(ii) The board shall be composed of senior specialists representing each of the major functions normally associated with preaward surveys, one of whom shall be designated chairperson. Flexibility of membership shall be provided by designating alternates and by establishing the criteria or conditions governing the need for occasional special technical representation. Membership on the board shall be in addition to the members' regular duties.

(g) **Steps for survey performance.** The three steps in performing a preaward survey are the --

(1) Preliminary analysis;
(2) Development and evaluation of information; and
(3) Preparation and review of the preaward survey report.

(h) **Preliminary analysis.** The request (SF 1403, Sections I, II, and III) shall be reviewed to establish basic administrative information and the factors to be investigated. The solicitation shall then be reviewed to ascertain those general and special requirements having a significant bearing on determining contractor responsibility. Examples are the nature of the product or services, applicable specifications, delivery schedule, documentation requirements, property control requirements, and financing aspects.

(i) **Development of information.**

(1) ***Review of available data.*** Information already available in the contracting office pertaining to the prospective contractor and its past performance shall be reviewed. Prior preaward survey reports and contractor performance records shall be examined and considered in support of preaward survey recommendations. If the prospective contractor has current or contemplated Government contracts, the files should be checked for information regarding similarity of product, current status of contracts, quality control experience, and financial status.

(2) ***Development of additional data.***

(i) When appropriate, the contracting office shall supplement the data on hand with any additional information required from other Government sources and from commercial sources, such as banks, business associates, and credit rating and reporting agencies.

(ii) An on-site survey shall be performed when sufficient information is not developed as a result of actions taken under subparagraph (1) and subdivision (i) above.

(iii) A narrative covering each factor investigated shall be referenced in Section III of SF 1403 and appended to the form. This narrative shall include detailed discussion supporting findings of both satisfactory and unsatisfactory conditions and shall include reasons for all stated conclusions.

(iv) When a prospective contractor proposes to acquire additional resources essential to performance of the proposed contract, the activity conducting the survey shall as a minimum obtain and evaluate --

(A) An itemized list of the required resources;

(B) A planned method of acquisition; and

(C) A schedule for acquisition of resources.

(v) Failure to meet commitments on previous contracts shall be documented in the current preaward survey report and considered in the final recommendation.

(j) **On-site surveys.**

(1) ***Interview, investigation, and review.***

(i) *General.* An on-site survey consists of an interview with representatives of the prospective contractor and, normally, an investigation of its resources and procedures.

(ii) ***Interview with management.*** Management officials of the appropriate level authorized to represent the prospective contractor should be interviewed. The prospective contractor's background shall be reviewed and as much history recorded as is necessary to reflect the soundness and reputation of the firm's operation.

(A) The organizational structure of the facility is the basis for management's control and must be reviewed. Assignment of definite tasks and responsibilities should be checked.

(B) Lack of understanding or misinterpretation of the solicitation often results in delinquent contracts and leads to default actions. Therefore the solicitation shall be discussed with the prospective contractor to ensure understanding of its requirements, including its technical aspects, such as drawings, specifications, prototype, technical data, testing, packaging, and the Government's right to use technical data in accordance with the terms of the solicitation. Any misinterpretations of the requirements of the solicitation that could adversely affect performance, or refusal by the prospective contractor to furnish required data, should be brought to the immediate attention of the monitor by the team coordinator. The monitor shall, in turn, promptly advise the contracting officer.

(iii) ***Investigation of resources and review of procedures.*** The resources the prospective contractor intends to utilize shall be inspected, analyzed, and compared with overall plans for performing. Procedures relating to performance of the proposed contract shall be reviewed for adequacy.

(iv) ***Specific factors to be considered.*** In the course of developing information, those factors described in subparagraphs (2), (3), and (4) following, and all others needed to provide the report and recommendations in the detail and to the extent required by the contracting officer, shall be considered.

(2) ***Production.***

(i) *General.* The production portion of the on-site survey consists of an evaluation of the prospective contractor's ability to manufacture the products or accomplish the tasks in accordance with the specifications and delivery schedule of the proposed contract. To achieve the objectives of this portion of the on-site survey, the production plan shall be reviewed, production resources ascertained, and the plan related to these resources.

(ii) ***Obtaining the production plan.*** The prospective contractor's production plan for meeting the delivery schedule shall be ascertained. The principal milestones within the production plan shall be established, along with target dates for achievement. These target dates must support the delivery schedule. The controls to be utilized in order to gear and hold the manufacturing effort to the target dates for the principal milestones shall be analyzed for suitability.

(iii) ***Ascertaining production resources.*** The information necessary to prepare SF 1404 and SF 1405 shall be obtained by discussion with appropriate management personnel of the prospective contractor. This information shall be verified, when necessary, by physical inspection of the manufacturing plant and evaluated in terms of suitability to manufacture the required items.

(iv) ***Relating production plans to production resources.*** When necessary, representatives of the prospective contractor shall be requested to advise how in-house and subcontractor production resources described in Sections II, III, IV, and VI of SF 1405 will be allocated and utilized in order to achieve the target dates for the principal milestones. Pertinent to this discussion is an analysis of other projects and contracts that will compete for utilization of those resources during the period specified by the prospective contractor's production plan. The information developed as a result of equating the production plan and production resources of the prospective contractor should enable the contracting office to determine whether or not --

(A) The resources the prospective contractor is planning to use are suitable for the job;

(B) The prospective contractor will be capable of properly controlling, maintaining, protecting, and using Government property;

(C) The planning and scheduling of effort will result in timely accomplishment of the principal milestones; and

(D) Achievement of the principal milestones will result in timely delivery.

(3) *Quality assurance.*

(i) The standing of the quality assurance organization in the prospective contractor's overall organization must be evaluated. An inspection or quality control function that reports to some other organizational segment (such as production) instead of to top management may be undesirable. The experience of the company's inspection or quality control personnel with the same or similar items shall be evaluated.

(ii) To evaluate the prospective contractor's ability to comply with quality control or inspection requirements, team members shall review --

(A) Methods currently utilized to control product quality, as reflected by a documented or verifiable inspection system or quality program plan;

(B) Personnel on hand and available (report both trained and untrained);

(C) Inspection and test equipment on hand and available;

(D) Quality, identification, and storage of materials;

(E) Physical arrangement of plant;

(F) Tool and gauge control; and

(G) Test and inspection records.

(4) *Financial.*

(i) *General.* The normal procedure for determining a prospective contractor's financial capability is initial presurvey planning, followed by verification of financial data as required. The extent of the review and analysis of financial matters shall be governed by the nature of the proposed contract. In certain instances, a sound decision may be possible after a relatively simple review of a company's financial position and production commitments. Under other circumstances, a more comprehensive review and analysis will be required.

(ii) *Procedure.* Actions to be taken in determining the prospective contractor's financial capability (SF 1407) include the following:

(A) The latest balance sheet and profit and loss statement shall be reviewed. Items indicative of the soundness of the prospective contractor's financial structure include rates and ratios, working capital as represented by current assets over current liabilities, and financial trends such as net worth, sales, and profit.

(B) The method of financing the contract shall be evaluated. If sources of outside financing other than the Government are indicated, their availability should be verified.

(C) When financial aid from the Government is to be obtained, the necessity for it should be verified. Review shall be made concerning the applicability of such financing as progress payments or guaranteed loans.

(k) **Evaluating data and preparing the report.**

(1) *Findings and recommendations of team members.* When the required information has been gathered, each participant shall (i) analyze it and evaluate the prospective contractor's capability to perform with respect to the functions or elements investigated and (ii) provide his or her findings and recommendations to the monitor on one or more of the appropriate forms (see FAR 9.106-4(a)) or on an attachment or attachments. If a negative reply is recorded, or where doubt exists, an explanation must substantiate the entry.

If a detailed analysis is needed or additional significant information is pertinent, the form should be supplemented by a narrative report.

(2) ***Monitor's evaluation and recommendation.*** On the basis of all the information received, the monitor shall thoroughly review and evaluate the findings and recommendations and forward the report to the chairperson of the review board with (i) a summary of the monitor's findings and (ii) a recommendation concerning award, which shall be supported by a statement of justification and shall, if the prospective contractor is a small business concern, be coordinated with the cognizant small business specialist.

(3) ***Review board action.*** Upon receiving each preaward report, the chairperson of the review board shall determine the extent of review board action. The requirements of subparagraph (f)(4) above may be satisfied at the chairperson's discretion by --

(i) Action by the chairperson alone;

(ii) Informal contact by the chairperson with one or more of the board members; or

(iii) Formal action by the entire board.

(4) ***Final actions.*** Following the action by the review board, the monitor shall forward the report directly to the contracting officer. When advance reports are made by telegraphic communication or telephone, they shall be confirmed in writing without delay. The monitor shall follow up on any requirements for the submission of supplemental reports.

SUBPART 18-9.2
QUALIFICATION REQUIREMENTS

18-9.200 Scope of subpart.

This subpart prescribes policies and procedures that, like those of FAR Subpart 9.2, are to be followed in the use of qualified products lists for procurement of microcircuits as authorized by NMI 5320.5, Basic Policy for Electronic Parts, and NMI 5320.6, Implementation of NASA Standard Parts Program.

18-9.202 Policy.

(a) Authority regarding agency head actions under FAR 9.202(a) is delegated to the cognizant technical activity, with approval by the installation's competition advocate.

(b) The approval authority of FAR 9.202(e) is delegated to the installation's competition advocate. Requests shall be prepared by the cognizant requirements office and submitted via the procurement officer.

18-9.203 QPL's, QML's. and QBL's.

18-9.203-70 General.

(a) The Director, Reliability, Maintainability and Quality Assurance Division (Code QR), is responsible for justifying, determining, and approving NASA's need for inclusion and continued use of qualification requirements in specifications under the NASA Microelectronics Reliability Program.

(b) Prior to the procurement of Class "A" microcircuits, as defined in NHB 5300.4(3F), the determination required by paragraph 3F103-2 of that handbook shall be made in writing by an authorized NASA field installation official.

(c) Copies of NHB 5300.4(3F) may be purchased by the public from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

18-9.203-71 Waiver of qualification requirements.

When procuring a product under a specification that includes qualification requirements either for the end item or for components of the end item, the NASA installation conducting the procurement can waive the qualification requirements. Directing a waiver of the end item qualification requirement constitutes adequate authorization for waiver of product qualification requirements. When a waiver has been granted, the solicitation shall specifically indicate that the qualification requirement is inapplicable. Such information shall also be included in any synopsis of the procurement (see FAR Subpart 5.2).

18-9.206 Acquisitions subject to qualification requirements.

18-9.206-1 General.

(a) The emergency determination authority specified at FAR 9.206-1(b) is delegated to the installation's competition advocate. Requests for determination shall be prepared by the cognizant requirements office and submitted through the procurement officer.

(b) Requests not to enforce a qualification requirement in a non-emergency situation shall be prepared by the cognizant requirements office and approved by the Headquarters Office of Safety, Reliability, Maintainability and Quality Assurance, (Code Q).

(c) Under FAR 9.206-1(c), if an offeror seeks to demonstrate its capability, both the product and the producer must meet the established standards.

18-9.206-70 Small businesses.

If a small business otherwise eligible for award has been placed in a special status on a Qualified Products List (see NHB 5300.4(3F)) established as a part of the NASA Microelectronics Reliability Program and the contracting officer determines that the small business does not appear to have the capacity to perform, the certificate of competency procedures in FAR Subpart 19.6 are applicable.

18-9.206-71 Contract clause.

When qualified products (end items or components of end items) are being procured, the contracting officer shall insert the clause at 18-52.209-70, Product Removal from Qualified Products List, in the solicitation and in the resulting contract.

SUBPART 18-9.4 DEBARMENT, SUSPENSION, AND INELIGIBILITY

18-9.402 Policy.

For purposes of FAR Subpart 9.4 and this subpart, the Assistant Administrator for Procurement is the "debarring official," the "suspending official," and the agency head's "designee."

18-9.404 Consolidated List of Debarred, Suspended, and Ineligible Contractors.

(a) The Office of Procurement (Code HP) is responsible for taking the actions enumerated under FAR 9.404(c).

(b) In compliance with FAR 9.404(c)(5), contracting officers shall consult the Consolidated List to ensure that they do not solicit offers from, award contracts to, or consent to subcontracts with listed contractors, except as provided in FAR 9.405.

18-9.405 Effect of listing.

If it is believed that a new contract or subcontract with a debarred or suspended contractor must be awarded, the procurement officer shall prepare a request for a determination as set out in 18-9.405-1(b) below and forward it to the Assistant Administrator for Procurement (Code HP) for approval.

18-9.405-1 Continuation of current contracts.

(a) The contracting officer may terminate a contract under FAR 9.405-1(a) if it is in the best interest of the Government to do so, unless directed otherwise by the Assistant Administrator for Procurement.

(b) If it is believed that an existing contract or subcontract with a debarred or suspended contractor must be renewed or otherwise extended, the procurement officer shall prepare a request for a determination with all necessary support documentation and forward it to the Assistant Administrator for Procurement (Code HP) for approval. Some examples of circumstances that may constitute a compelling reason under FAR 9.405(a) or 9.405-1(b) for award, renewal, or extension include the following:

(1) The property or services to be acquired are available only from the listed contractor.

(2) The urgency of the requirement dictates that NASA deal with the contractor.

(3) Other reasons related to the national defense or program requirements that necessitate continued business dealings with the listed contractor.

18-9.405-2 Restrictions on subcontracting.

When a subcontract subject to contracting officer consent must be awarded to a listed contractor, the procurement officer shall prepare a request for a determination with all support documentation and forward it to the Assistant Administrator for Procurement (Code HP) for approval. Some examples of circumstances that may constitute compelling reasons are in 18-9.405-1(b) above.

18-9.406 Debarment.

18-9.406-3 Procedures.

The report required by FAR 9.406-3(a) shall be forwarded by the procurement officer to the Assistant Administrator for Procurement (Code HP) in accordance with 18-9.470, below.

18-9.407 Suspension.

18-9.407-3 Procedures.

The report required by FAR 9.407-3(a) shall be forwarded by the procurement officer to the Assistant Administrator for Procurement (Code HP) in accordance with 18-9.470, below.

18-9.470 Reporting of suspected evasive actions and causes for debarment or suspension.

18-9.470-1 Situations requiring reports.

A report incorporating the information required by 18-9.470-2 below shall be forwarded by the procurement officer to the Assistant Administrator for Procurement (Code HP) when a contractor --

(a) Has committed, or is suspected of having committed, any of the acts described in FAR 9.406-2 and 9.407-2; or

(b) Is suspected of attempting to evade the prohibitions of a debarment or suspension imposed under the FAR or this Regulation by changes of address, multiple addresses, formation of new companies, or other devices.

18-9.470-2 Contents of reports.

Each report shall be coordinated with local counsel and shall include substantially the following information, if available:

(a) Name and address of the contractor.

(b) Names of the principal officers, partners, owners, or managers.

(c) All known affiliates, subsidiaries, or parent firms, and the nature of the affiliation.

(d) A description of the contract or contracts concerned, including the contract number and office identifying numbers or symbols, the amount of each contract, the amounts paid the contractor and still due, and the percentage of work completed and to be completed.

(e) The status of vouchers.

(f) Whether the contract has been assigned pursuant to the Assignment of Claims Act, and, if so, the name and address of the assignee and a copy of the assignment.

(g) Whether any other contracts are outstanding with the contractor or any affiliates, and, if so, their amount, whether they are assigned pursuant to the Assignment of Claims Act, and the amounts paid or due on them.

(h) A complete summary of all pertinent evidence. If a request for debarment or suspension is based on an indictment or a conviction, provide the evidence upon which the indictment or conviction is based.

(i) A recommendation as to the continuation of any current contracts.

(j) An estimate of any damages, sustained by the Government as a result of the contractor's action, including an explanation of the method used in making the estimate.

(k) The comments and recommendations of the contracting officer and local counsel as to (1) whether the contractor should be suspended or debarred, (2) whether any limitations should be applied to such action, and (3) the period of any debarment.

(l) As an enclosure, a copy of the contract(s) or pertinent excerpts, appropriate exhibits, testimony or statements of witnesses, copies of assignments, and other relevant documentation.

18-9.470-3 Addresses and copies of reports.

Reports, including enclosures, shall be submitted in duplicate to the Assistant Administrator for Procurement (Code HP), with an additional copy to the Office of General Counsel, NASA Headquarters (Code G).

best copy available

SUBPART 18-9.5 ORGANIZATIONAL CONFLICTS OF INTEREST

18-9.500 Scope of subpart.

The Assistant Administrator for Procurement has authorized the procurement officer to take those actions reserved in FAR Subpart 9.5 for the head of the contracting activity. However, see 18-9.503 regarding waivers.

18-9.503 Waiver.

The Administrator has designated the Assistant Administrator for Procurement as the approval authority for waivers under FAR 9.503. The procurement officer shall forward requests for waivers under FAR 9.503 to the Assistant Administrator for Procurement (Code HS) for action.

18-9.507 Procedures.

(a) The draft solicitation provision and proposed contract clause required by FAR 9.507(a) shall be approved by the procurement officer when the installation has final authority for source selection and by the Assistant Administrator for Procurement (Code HS) when NASA Headquarters has that authority.

(b) The Assistant Administrator for Procurement (Code HS) shall make any final decision required by FAR 9.507(c)(4).

18-9.508 Solicitation provision and contract clause.

18-9.508-2 Contract clause.

The contracting officer may insert a clause substantially the same as the clause at 18-52.209-71, Limitation of Future Contracting, in solicitations and contracts, in compliance with FAR 9.508.

SUBPART 18-9.6
CONTRACTOR TEAM ARRANGEMENTS

18-9.670 Contract clause.

The contracting officer shall insert the clause at 18-52.209-72, Composition of the Contractor, in all construction invitations for bids and resulting contracts. The clause may be used in other solicitations and contracts to clarify a contractor team arrangement where the prime contractor consists of more than one legal entity, such as a joint venture.

PART 18-10

SPECIFICATIONS, STANDARDS, AND OTHER PURCHASE DESCRIPTIONS

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PART 18-10
SPECIFICATIONS, STANDARDS, AND OTHER PURCHASE DESCRIPTIONS

18-10.001 Definitions.

"Brand-name product" means a commercial product described by brand name and make or model number or other appropriate nomenclature by which it is offered for sale to the public by the particular manufacturer, producer, or distributor.

18-10.002 Policy.

18-10.002-70 NASA policy.

Whenever a specification is deemed inadequate, the contracting officer shall initiate immediate action to recommend that the activity responsible for the specification amend or revise it in order to obviate the necessity for repeated departures from the specification.

18-10.004 Selecting specifications or descriptions for use.

(a) As required by FAR 10.004(e), contracts will include appropriate preservation, packaging, packing, and marking requirements. The services of packaging technicians shall be used to --

(1) Develop preservation, packaging, packing, and marking requirements for individual procurements; and

(2) Assist in evaluating the reasonableness of contractors' packaging, packing, and marking cost estimates or charges.

(b) Unrealistic preservation, packaging, packing, and marking requirements should be reported and changes recommended to the activity originating the requirement and to the contracting officer.

18-10.004-70 Additional requirements.

(a) Drawings and data furnished with solicitations shall be clear and legible (see also FAR 10.008).

(b) Many specifications cover several grades or types and provide for several options in methods of inspection. When such specifications are used, the solicitation shall state specifically the grade, type, or method of inspection on which offers are to be based.

18-10.004-71 Brand-name-or-equal purchase description.

(a) Purchase descriptions containing references to one or more brand-name products followed by the words "or equal" may be used only when authorized by FAR 10.004(b)(3) and in accordance with this Part 18-10 (see 18-10.008-70, 18-10.011, and 18-52.210-70).

(b) The words "or equal" should not be added if it is determined under paragraph (a) above that only a particular product meets the essential requirements of the Government (e.g., when the required supplies can be obtained only from one source (see FAR 6.302-1)).

(c) To the extent feasible, all known acceptable brand-name products should be referenced. If a "brand-name-or-equal" purchase description is used, prospective contractors must be given the opportunity to offer products other than those specifically referenced by brand name if those products will meet the needs of the Government in essentially the same manner as those referenced.

(d) "Brand-name-or-equal" purchase descriptions should set forth the salient physical, functional, or other characteristics of the referenced products essential to the needs of the Government. For example, when interchangeability of parts is required, that requirement should be specified. Purchase descriptions should contain the following characteristics, in addition to those at FAR 10.004(b)(1), to the extent available, and include such other information as is necessary to describe the item required:

(1) Complete common generic identification of the item required.

(2) Applicable model, make, or catalog number for each brand-name product referenced, and identity of the commercial catalog in which it appears.

(3) Name of manufacturer, producer, or distributor of each brand-name product referenced (and address if company is not well known).

(e) When it is needed to describe adequately the item required, a commercial catalog description, or pertinent extracts, may be used if the description is identified in the solicitation as being that of the particular named manufacturer, producer, or distributor. The contracting officer shall ensure that a copy of any catalog referenced (except parts catalogs) is available on request for review by offerors at the contracting office.

(f) When a solicitation contains a "brand-name-or-equal" purchase description, offerors offering brand-name products referenced in that description shall not be required to furnish samples of the referenced brand-name products; however, solicitations may require the submission of samples in the case of offerors proposing "or equal" products.

(g) Proposals offering products differing from brand-name products referenced in a "brand-name-or-equal" purchase description shall be considered for award if the contracting officer determines under the provision at 18-52.210-70 that the offered products meet the salient characteristics required by the solicitation. Offers shall not be rejected simply because of minor differences in design, construction, or features that do not affect the suitability of the products for their intended use.

(h) Except as provided in subdivision (i)(1) below, when a "brand-name-or-equal" purchase description is included in a solicitation, the following shall be inserted after each item so described in the solicitation for completion by the offeror:

Offering:

Manufacturer's Name ________________

Brand __________ No. ________________

(i) (1) Where components of an end item are described in the solicitation by a "brand-name-or-equal" purchase description and the contracting officer determines that applying of the provision at 18-52.210-70 to them would be impracticable, the requirements of paragraph (h) above shall not apply with respect to them. In such cases, if the provision is included in the solicitation for other reasons, a statement substantially as follows also shall be included:

> The provision entitled Brand Name or Equal does not apply to the following components:

(List the components to which the provision does not apply.)

(2) In the alternative, if the contracting officer determines that the provision at 18-52.210-70 should apply

only to certain components, the requirements of paragraph (h) above shall apply to them, and a statement substantially as follows shall be included:

> The provision entitled Brand Name or Equal applies to the following components:

(List the components to which the provision applies.)

(j) The policies and procedures prescribed in paragraphs (a) through (i) above apply to both sealed-bid and negotiated procurements. If use of the provision is not practicable (as may be the case, for example, in exigency purchases), suppliers shall be informed that proposals offering products different from the products referenced by brand name will be considered if the contracting officer determines that they are equal in all significant and material respects to the products referenced.

18-10.007 Deviations.

If an exception or deviation from a Federal or military specification is required --

(a) The contracting officer shall, before issuing the solicitation, submit a fully documented and justified request for the deviation to the procurement officer; and

(b) The procurement officer shall comply with FAR 10.007(a).

18-10.008 Identification and availability of specifications.

Each solicitation shall be accompanied by the applicable specifications, standards, plans, drawings, and other pertinent documents, or shall state where they can be obtained or examined.

18-10.008-70 Brand-name-or-equal awards.

Award documents shall identify or incorporate by reference an identification of the specific products the contractor is to furnish. This identification shall include any brand name and make or model number, descriptive material, and any modifications of brand-name products specified in the solicitation. Included in this requirement are those instances in which (a) the description of the end item contains "brand-name-or-equal" purchase descriptions of components or of accessories related to the end item and (b) the solicitation includes the provision at 18-52.210-70 as applicable to such components or accessories (see 18-10.004-70(i)).

18-10.011 Solicitation provisions and contract clauses.

18-10.011-70 NASA solicitation provisions and contract clauses.

(a) When a "brand-name-or-equal" purchase description is used, the contracting officer shall insert in the solicitation the provision at 18-52.210-70, Brand Name or Equal.

(b) The contracting officer shall insert the provision at 18-52.210-71, Descriptive Literature for Used Material, in solicitations containing FAR provision 52.210-6, Listing of Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property. Insert the information needed to make a determination that the items to be furnished can reasonably be expected to conform to the requirements of the solicitation.

(c) The contracting officer may insert a clause substantially as stated in 18-52.210-72, Supplies and/or Services to be Furnished, in all solicitations and contracts to indicate the items to be delivered. Insert the item number, description of the supplies (see FAR 2.101 for definition) and/or services to be furnished, quantities to be furnished, unit and unit price (if applicable), and total dollar amount. The column headings may be modified for what is being acquired and for the type of contract.

(d) The contracting officer shall insert a clause substantially as stated at 18-52.210-75, Packaging and Marking, in solicitations and contracts where the packaging and marking requirements of NASA Handbook 6000.1 and/or MIL-STD-2073 are appropriate. Insert the applicable information for the particular procurement. Substitute Alternate I for paragraphs (a), (b), (c), and (d) of the basic clause if commercial packing and marking practices are to be used. Add Alternate II if space flight item(s) are to be delivered.

PART 18-12

CONTRACT DELIVERY OR PERFORMANCE

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PART 18-12 CONTRACT DELIVERY OR PERFORMANCE

SUBPART 18-12.1 DELIVERY OR PERFORMANCE SCHEDULES

18-12.104 Contract clauses.

18-12.104-70 Additional clauses.

(a) The contracting officer may use the clause at 18-52.212-70, Notice of Delay, if it is desirable to provide for contractor notice of anticipated delays in performance.

(b) See 18-27.406(b) regarding reports of work.

(c) The contracting officer shall insert the clause at 18-52.212-72, Partial Shipments, in solicitations and contracts when a quantity specified for a line item to be delivered is more than one unit, or when the Schedule contains more than one line item to be delivered, and partial shipments by the contractor will not adequately meet the Government's overall needs.

(d) The contracting officer may insert a clause substantially as stated at 18-52.212-73, Delivery Schedule, in solicitations and contracts if the Government requires delivery of items on specific dates during the contract. Insert the item description, quantity of items to be furnished, delivery dates, and shipping addresses applicable to the particular procurement.

(e) The contracting officer may insert a clause substantially as stated at 18-52.212-74, Period of Performance, in term contracts to specify the time during which contract performance will take place. Insert the period of performance dates applicable to the particular procurement.

SUBPART 18-12.2
LIQUIDATED DAMAGES

18-12.202 Policy.

The contracting officer shall forward recommendations concerning remission of liquidated damages via the head of the contracting activity to the Assistant Administrator for Procurement for submission to the Administrator.

SUBPART 18-12.3
PRIORITIES AND ALLOCATIONS

18-12.302 General.

(a) The Department of Defense is the "Delegate Agency" for NASA. The Headquarters Procurement Policy Division, Code HP, shall coordinate with DOD, as necessary, to ensure that any DOD-imposed requirements are met.

(b) Additional regulatory guidance is available in "DPAS, Defense Priorities and Allocations System," Department of Commerce, International Trade Administration, Office of Industrial Resource Administration, Washington, DC 20250, October 1984, 66 pages. (Copies available from Department of Commerce.) This DOC booklet contains the pertinent parts of 15 CFR 350 and is the recommended guidance on the DPAS to contractors and suppliers receiving rated orders.

18-12.303 Procedures.

18-12.303-70 NASA procedures.

(a) The use of priority ratings on NASA contracts and purchase orders is mandatory except as noted in paragraph (d) below. Priority ratings are assigned on individual contracts and purchase orders by the contracting officer.

(b) Except where no rating is issued as provided in paragraph (d) below, all NASA orders shall be assigned a DO rating, unless NASA has obtained a DX rating from the Delegate Agency. Currently, NASA has no programs with a DX rating.

(c) The program identification numbers (DPAS, 15 CFR 350, SCH L.) to be used by NASA are as follows:

A1	Aircraft
A2	Missiles
A3	Ships
A5	Weapons
A6	Ammunition
A7	Electronic and Communications Equipment
B1	Military Building Supplies
B8	Production Equipment (For Contractor's Account)
B9	Production Equipment (Government-Owned)
C2	Construction
C3	Maintenance, Repair, and Operating Supplies for Facilities
C9	Miscellaneous/Other

(d) Priority ratings will not be issued for the following:

(1) Items ordered or requisitioned from the GSA Federal Supply Service.

(2) Items for plant improvement, expansion, or construction, unless they will be physically incorporated into a construction project covered by a rated order, or unless NASA has obtained specific priority rating authority.

(3) Production or construction equipment or items to be used for the manufacture of production equipment, unless NASA has obtained specific priority rating authority.

(4) Items falling under the jurisdiction of agencies other than NASA'S Delegate Agency. These are: petroleum, gas, solid fuel, electric power, and all other forms of energy; food; civil transportation and the movement of persons and property by all modes; minerals; water; housing facilities; health facilities; radioisotopes, stable isotopes, source material and special nuclear material produced in Government-owned plants or facilities operated by or for the

Department of Energy; communication services; copper raw materials; crushed stone; gravel; sand; scrap; slag; central steam heat; and waste paper.

(e) The Headquarters Procurement Policy Division (Code HP) is responsible for coordinating DPAS matters with the Delegate Agency and the Department of Commerce, as necessary. Installation requests arising under FAR 12.303(g) regarding assignment of ratings, special priorities assistance, controlled materials, or related DPAS topics shall be directed to Code HP.

SUBPART 18-12.5
SUSPENSION OF WORK, STOP-WORK ORDERS, AND GOVERNMENT DELAY OF WORK

18-12.505 Contract clauses.

The Stop-Work Order clause at FAR 52.212-13 is not authorized for use in research contracts with educational or other nonprofit institutions.

PART 18-13

SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES

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PART 18-13
SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES

SUBPART 18-13.1
GENERAL

18-13.104 Procedures.

(a) Small purchase procedures are exempt from the requirements of the Competition in Contracting Act of 1984 (see FAR 6.001).

(b) When bulk funding is deemed appropriate, see Financial Management Manual 9030-5e and 9040-4b.

(c) For sole-source procurements over $1,000 involving (1) an individual employed by NASA during the past 2 years or (2) a firm in which such an individual is a partner, principal officer, or majority shareholder, or that is otherwise controlled or predominantly staffed by such individuals (see Subpart 18-3.70), the notation required by FAR 13.106(c)(2) shall be submitted for approval at a level above the contracting officer.

SUBPART 18-13.2
BLANKET PURCHASE AGREEMENTS

18-13.203 Establishment of blanket purchase agreements.

18-13.203-1 General.

Blanket purchase agreements (BPA's) may be prepared and issued on any installation-prescribed purchase order form.

18-13.204 Purchases under blanket purchase agreements.

Non-GS/GM-1102 or 1105 personnel shall not be authorized to place orders under a BPA in amounts greater than $1,000 for an individual order. A contracting officer warrant is not required to place an order under a BPA; however, individuals authorized to order must be specified in writing, by the contracting officer. Authority to place orders should be revoked immediately upon evidence of abuse.

18-13.205 Review procedures.

The procurement officer shall ensure that all BPA files are reviewed at least annually to ascertain that appropriate procedures are being followed and that prices obtained are fair and reasonable.

SUBPART 18-13.3
FAST PAYMENT PROCEDURE

18-13.302 Conditions for use.

Pursuant to FAR 13.302, the dollar limitation for NASA is hereby established as the small purchase ceiling for defense agencies.

18-13.303 Preparation and execution of orders.

Orders incorporating the fast payment procedure may be issued on Optional Form 347, Order for Supplies or Services, or on any other installation-prescribed purchase order form.

SUBPART 18-13.4
IMPREST FUND

18-13.403 Agency responsibilities.

18-13.403-70 Establishment of imprest funds.

(a) **Authority.** Upon approval of the Chief, Disbursing Office of the Treasury Department, the Director of Financial Management, NASA Headquarters, may authorize the establishment of imprest funds and any required subsequent increases to them. The number of imprest funds at an installation should generally be restricted to the minimum number necessary to ensure efficiency in small purchase transactions. Financial Management Manual 9650, Imprest Fund Procedures, should be used in conjunction with this subpart.

(b) **Amount of imprest funds.** The amount of each fund shall be established on the basis of the estimated monthly payments to be made from it and the need for replenishment without undue administrative burden. Financial management officers of each NASA installation will designate one or more employee(s) in their office to make unannounced cash verifications of imprest fund balances at least quarterly. Each cash verification will be documented, and working papers retained for review by the Office of the Inspector General and personnel of the Financial Management Division, NASA Headquarters. In conjunction with the cash verification, the level of funds held in an imprest fund shall be evaluated on a semiannual basis (see FAR 13.403). The disclosure of any unauthorized use of or irregular accounting for an imprest fund during the quarterly cash verification, or the annual audit or at any other time, will be reported to the Director, Financial Management Division, NASA Headquarters.

(c) **Imprest fund cashiers.**

(1) Imprest fund cashiers shall be appointed in accordance with Financial Management Manual 9650 and are authorized to make cash payments for materials and nonpersonal services, maintain custody of funds, and file periodic vouchers to account for and replenish the imprest fund. Financial management or fiscal officers and others having access to accounting records or responsibility for originating, approving, processing, or receiving requirements are not eligible for appointment as imprest fund cashiers. In no event shall an imprest fund cashier have access to or control of more than one imprest fund.

(2) An alternate imprest fund cashier may be appointed (i) if the volume of work requires an alternate to the principal cashier or (ii) to provide service during the principal cashier's absence. Appointment requirements for principal cashiers shall apply to alternate cashiers. In planned short-term absences of the principal cashier, cash may be advanced by the principal to the alternate in an amount not to exceed the alternate's limit of the fund. Upon resuming duties, the principal cashier shall return the cash receipt to the alternate after obtaining paid receipts, subvouchers, and residual cash. In the absence of the principal cashier for more than 15 working days or for a period of time that will require submission of a reimbursable voucher before the principal's return, transfer of funds from the principal to the alternate cashier shall be accomplished as prescribed by Financial Management Manual 9650.

18-13.404 Conditions for use.

(a) Imprest Funds may be used to make local cash payments of $300 or less for transactions involving --

(1) Small purchases and nonpersonal services which are readily available for delivery and do not require technical specifications or technical inspection and where direct cash payment will be advantageous to the government;

(2) Travel advances and vouchered reimbursements for travel expenses (not to exceed $500 for any one transaction);

(4) Postage stamps, parcel post, c.o.d. postal charges, and local drayage;

(5) Reimbursement for the cost of official local transportation and telephone or telegraphic services; or

(6) Prepaid transportation charges indicating f.o.b. shipping point which do not exceed $100.

(d) Imprest funds shall not be used for --

(1) Articles or services, particularly repetitive items, which are available from store stock inventories;

(2) Purchases of articles or services in quantities or amounts covered by mandatory sources of supply;

(3) Articles or services which are restricted by statutory or regulatory laws, i.e., newspapers and similar items;

(4) Paying salaries or wages;

(5) Advances, other than those authorized in 18-13.405(b);

(6) Cashing checks or other negotiable instruments;

(7) For money orders or personal services unless authorized by the Director, Financial Management Division, NASA Headquarters; or

(8) Paying for international shipments or household goods shipments.

18-13.405 Procedures.

(a) Receipt of material.

(1) All material purchased through the imprest fund shall be delivered to a designated receiving activity. The receiver shall examine the material to ascertain that the quantities and items described in the procurement request and the supplier's sales document are present and in satisfactory condition. If the material is acceptable, the receiver shall stamp the sales document "Received and Accepted," date and sign the document, and pass it to the imprest fund cashier for payment. In the absence of a supplier's sales document, a receipted Standard Form 1165, Receipt for Cash--Subvoucher, shall be used to record the receipt of purchases made from the imprest fund and shall be processed in the same manner.

(2) When it is not practicable to obtain delivery of material at destination on a c.o.d. basis, advance arrangements may be made for the material to be picked up. The imprest fund cashier may then advance cash to an authorized individual to pick up and pay for the material. Necessary certifications of receipt and acceptance of material shall be obtained on one of the documents as indicated in subparagraph (1) above. Receipt for cash payment (see paragraph (c) below) shall be made on the same document, which will serve as the imprest fund receipt.

(3) When prior arrangements for picking up material are not practicable, the imprest fund cashier may advance cash to an authorized individual to make a proposed purchase.

(b) **Advance of funds.** Individuals receiving a cash advance from the imprest fund cashier shall be required to sign the "Interim Receipt for Cash" portion of Standard Form 1165. After purchase has been made, the individual will return any unused cash to the imprest fund cashier with the necessary certifications of receipt, acceptance, and cash payment, at which time the imprest fund cashier shall void the interim receipt for cash. Cash advanced should generally be accounted for daily, but may be advanced for a period not to exceed five consecutive work days.

(c) **Certification of cash payment.**

(1) The original receipt document (or a copy tendered as the original) presented to the imprest fund cashier for payment shall be stamped with a certification containing --

(i) A statement that cash payment was received in full;

(ii) The amount paid;

(iii) The date of payment; and

(iv) The signature and title of the supplier or agent receiving the payment.

(2) Alterations or corrections to documents tendered for payment shall be initialled by the person making the change. Changes in the amount paid shall be initialled by the individual receiving payment.

(d) **Responsibilities of imprest fund cashier.** Pending receipt of material, the imprest fund cashier shall keep a file of procurement requests covering imprest fund purchases. Before payment or acceptance of the document tendered for settlement of an advance, the cashier shall verify the necessary certification of receipt and the supplier's billed price or the price paid. If the supplier's receipt for cash payment is not obtained for a purchase of $15.00 or less, the person making the purchase shall complete and sign the cash receipt document indicating receipt of funds from the imprest fund.

(e) **Payments.**

(1) ***C.o.d.*** Upon presentation of an authorized document with the necessary certification of receipt for supplies or services, the imprest fund cashier or other authorized individual shall pay the supplier or agent and obtain the certification of cash payment as required by paragraph (c) above.

(2) ***Receipt from common carrier or post office.*** When c.o.d. shipments are received or picked up from a common carrier or post office, the certification of cash payment may be accomplished on a list of the packages provided by the post office or common carrier. Such receipt shall be supported by copies of the applicable sales document, if available.

(3) ***Periodic payments.*** When use of a blanket purchase agreement is not suitable and it is administratively convenient and agreeable to the supplier, periodic payments from the imprest fund may be made for supplies delivered on a repetitive basis, provided that the accumulated amount of the deliveries for the specified period does not exceed the dollar limitation imposed on the imprest fund method by 18-13.404.

(4) ***Failure to ship c.o.d.*** When material is ordered c.o.d., but is shipped by the supplier subject to payment by check, Standard Form 1034, Public Voucher for Purchases and Services Other than Personal, may be used to make payment. Under these circumstances, the receiver shall prepare the necessary certification of receipt and shall forward the receipted document through the imprest fund cashier for (i) attachment of the supporting documents authorizing the shipment and (ii) submission to the disbursing officer for payment.

(f) **Reimbursement of imprest funds.**

(1) The imprest fund shall be reimbursed in accordance with Financial Management Manual 9650.

(2) When a supplier refunds cash before submission of the Standard Form 1129, Reimbursement Voucher, covering the payment, the imprest fund cashier shall accept the refund, return it to the imprest fund, and enter the amount on the original of the supplier's receipt. When refund is made after submission of the applicable Standard Form 1129, the imprest fund cashier shall enter the

amount on the retained copy of the reimbursement voucher and promptly (i) submit the refund directly to the disbursing officer or (ii) deposit it directly on Standard Form 209, Certificate of Deposit.

(g) **Accounting.** Recordkeeping shall be based on simplified memorandum records to permit frequent reconciliation of funds and should show (1) the amount of cash received, (2) the amount paid out, and (3) the balance on hand at the close of each day. It is permissible to group numerous small payments by numbering payment documents and affixing to them an adding-machine tape showing the total applying to each grouping of payment documents.

(h) **Audits.** The Financial Management Officer of each NASA installation having an Imprest Fund will perform an annual audit of the advances and disbursements made from the fund. Documentation covering the annual audit is retained for review by the Office of Inspector General and personnel of the Financial Management Division, NASA Headquarters. The Office of Inspector General, NASA Headquarters, will conduct an audit of each Imprest Fund not less than once every 3 years. More frequent audits may be made where, on the basis of past findings, the audits have disclosed procedural deficiencies.

SUBPART 18-13.5
PURCHASE ORDERS

18-13.502 Unpriced purchase orders.

(a) NASA contracting officers shall ensure that suppliers receiving unpriced purchase orders are carefully selected.

(b) Orders shall not contain an estimated target unit price.

(c) Suitable local records and controls of outstanding unpriced purchase orders shall be maintained to ensure regular follow-up with suppliers until the order is priced. These records should include any information available to support the fairness and reasonableness of the proposed monetary limitation.

18-13.505 Purchase order and related forms.

18-13.505-2 Agency order forms in lieu of Optional Forms 347 and 348.

Optional Forms 347 and 348 or Installation-prescribed forms may be used.

18-13.505-3 Standard Form 44, Purchase Order-Invoice-Voucher.

The $2,500 ceiling for use of the Standard Form 44 at FAR 13.505-3 is raised to $10,000 for purchases of aviation fuel and oil only.

SUBPART 18-13.70 PROCUREMENT REQUEST OVERLAY METHOD

18-13.7001 General.

This method is an acceptable adjunct to other simplified purchase procedures and may be used in placing oral orders when use of a BPA is too cumbersome or no BPA exists. Each transaction is recorded on a small form that attaches to, becomes a part of, and overlays a portion of the procurement request. Suppliers' delivery tickets are used as additional supporting documentation. Use of this method eliminates the administrative requirements for preparing and mailing individual purchase orders. This method may be used when suppliers (a) are willing to accept oral orders and (b) can be reasonably relied upon to fill them in accordance with the terms of the oral transaction.

18-13.7002 Limitations on use.

This method shall not be used if --

(a) The requirements of more than one procurement request are to be combined in a transaction;

(b) More than one delivery will be required (unless the requirements of a single procurement request are to be divided among several suppliers and only one delivery per supplier is required);

(c) An installation-prescribed form or Optional Form 347 has been utilized;

(d) It is necessary or desirable to incorporate specifications or other terms and conditions in a written purchase order;

(e) GSA Federal Supply Schedules are to be used;

(f) Purchases are to be made from or through other Government agencies; or

(g) The amount of the purchase is over $2,500 (unless the purchase is made under a BPA).

18-13.7003 Procedures.

(a) After competitive selection of the source (see FAR 13.106), the order may be placed by telephone. Particular care shall taken to ensure that the supplier agrees to accept the order without written confirmation and that the order number, item descriptions, quantities, prices, and other terms and conditions are clearly understood. If the amount of the purchase does not exceed $300, the supplier should be encouraged to deliver c.o.d. (see FAR 13.404).

(b) The supplier shall be given all pertinent and specific instructions at the time of placing the order, including the installation's methods of handling charge purchases to be billed within a period of one month or less.

(c) Upon placing the order, the contracting officer shall (1) ensure that a preprinted overlay form is affixed to the procurement request and, if necessary, after the overlay is filled in (2) adjust the estimated unit and total cost figures of the procurement request to reflect the actual purchase price. This shall be done by lining through the original procurement request figures so that they remain legible. Any other changes in the original information of the procurement request to make it conform to the facts of the purchase shall be made in like manner. The preprinted overlay form shall contain at least the following information:

SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES

Order No. ____________________________
Supplier (Name) _______________________
(Address, City) _______________________
(State, Zip) __________________________
Discount Terms _______________________
Delivery Date ________________________
Buyer ________________________________
____
F.o.b. Destination
Procurement
Placement
Code ________
Action: procurement request line items ( ), ( ), (etc.) complete*
Total procurement request action: partial,* complete*
Payment: cash,* charge*

____
(Contracting Officer Signature)

Date Signed ________________________

(*Circle as appropriate)

(d) The contracting officer shall sign and date the completed overlay form on the procurement request.

(e) The procurement request with overlay shall be reproduced and distributed internally in accordance with the installation's local instructions to provide copies to the offices or activities responsible for receiving and accepting the merchandise, making cash payment, or processing charge purchases.

(f) In accordance with local instructions, copies of the supplier's delivery ticket received with the merchandise shall be distributed to establish receipt and acceptance of merchandise and serve as a basis for cash payment or obligation of funds and subsequent payment of charge purchases.

PART 18-14

SEALED BIDDING

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PART 18-14
SEALED BIDDING

SUBPART 18-14.2
SOLICITATION OF BIDS

18-14.201 Preparation of invitations for bids.

18-14.201-2 Part I--The schedule.

The contracting officer shall include in of the Schedule the data specified --

(a) In FAR 14.201-2;

(b) Elsewhere in the FAR; and

(c) Elsewhere in this Regulation.

18-14.201-5 Part IV--Representations and instructions.

Section M--Evaluation factors for award.

(a) If award is to be made in the aggregate (all-or-none basis), the contracting officer shall so state.

(b) If award is to be made by specified groups of items, the contracting officer shall so state.

(c) If bidders are required to have special technical qualifications because of the complexity of the equipment being purchased or for some other reason, the contracting officer shall state those qualifications.

18-14.201-6 Solicitation provisions.

18-14.201-670 NASA solicitation provisions.

(a) The contracting officer shall insert the provision at 18-52.214-70, Caution to Offerors Furnishing Descriptive Literature, in invitations for bids. See FAR 52.214-21, Descriptive Literature.

(b) The contracting officer shall insert the provision at 18-52.214-71, Grouping for Aggregate Award, in invitations for bid, except for construction, and and in competitive requests for proposals when conditions of inspection, installation, performance, or location are impracticable under multiple awards for certain items or groupings of certain items. See 18-14.201-5(a) and (b) and FAR 52.214-10 and 52.215-16. Insert the item numbers and/or descriptions applicable for the particular procurement.

(c) The contracting officer shall insert the provision at 18-52.214-72, Full Quantities, in invitations for bid, except for construction, and competitive requests for proposals when it is in the Government's best interest not to make award for less than the full quantities solicited. See FAR 52.214-10 and 52.215-16.

(d) For conducting pre-bid conferences, see 18-15.407-70(f).

SUBPART 18-14.3
SUBMISSION OF BIDS

18-14.302 Bid submission.

In accordance with FAR 14.302(b), NASA has elected not to consider telegraphic bids communicated by telephone. When telegraphic bids are authorized, the telegram must be delivered in writing.

SUBPART 18-14.4 OPENING OF BIDS AND AWARD OF CONTRACT

18-14.404 Rejection of bids.

18-14.404-1 Cancellation of invitations after opening.

18-14.404-170 Delegation of authority.

(a) The authority to make the determination at FAR 14.404-1(c) to cancel the invitation and reject all bids is delegated to the contracting officer, except as provided in subparagraph (b)(2) below.

(b) A determination under FAR 14.404-1(c)(6) or (7) that includes an authorization to complete the acquisition through negotiation (see FAR 14.404-1(e)(1)) shall be approved by --

(1) The contracting officer, if the solicitation is to be cancelled because no responsive bid has been received from a responsible bidder; or

(2) The procurement officer, if the solicitation is to be cancelled because (i) all otherwise acceptable bids received are at unreasonable prices, (ii) only one bid is received and the contracting officer cannot determine the reasonableness of the bid price, or (iii) the bids were not independently arrived at in open competition, were collusive, or were submitted in bad faith. The procurement officer shall obtain the advice of the Chief Counsel before making this determination.

18-14.406 Mistakes in bids.

18-14.406-3 Other mistakes disclosed before award.

(a) Under the authority delegated by the Administrator in NMI 5101.8, Delegation of Authority To Take Actions in Procurement and Related Matters (Assistant Administrator for Procurement), the Assistant Administrator for Procurement is authorized to permit the correction of bids under FAR 14.406-3(a) and (b) and the award of a contract under 14.406-3(d) (see FAR 14.406-3(e)). The Assistant Administrator for Procurement has authorized procurement officers to permit withdrawal of bids when the conditions in FAR 14.406-3(c) are met. When the procurement officer permits withdrawal of a bid, a copy of the determination shall be forwarded to the Office of Procurement, Code HP, within ten days after the determination is made.

(b) When a contractor requests correction of a bid under FAR 14.406-3(a) and it is determined that a mistake has been made but correction is denied and, as an alternative, the contractor requests award under its bid as submitted, the contracting officer shall refer the file to the Assistant Administrator for Procurement for determination.

(c) Any doubtful case under FAR 14.406-3 should be forwarded to the Assistant Administrator for Procurement.

18-14.406-4 Mistakes after award.

(a) Any determination authorized by FAR 14.406-4(b) and (c) shall be made by the contracting officer after obtaining concurrence from the installation's Office of Chief Counsel in accordance with FAR 14.406-4(d).

(b) A copy of any determination made under FAR 14.406-4(b) and (c) shall be forwarded to the Office of Procurement, Code HP.

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PART 18-15
CONTRACTING BY NEGOTIATION

SUBPART 18-15.1
GENERAL REQUIREMENTS FOR NEGOTIATION

18-15.102 General.

Procurement personnel, as well as others concerned, shall ensure that contract negotiations are completed expeditiously. All details of the negotiation must be completed before the contract is awarded, including, to the extent applicable --

(a) Arrangements regarding Government-furnished property, including the contractor's responsibility for controlling, maintaining, and accounting for it;

(b) Determination that the prospective contractor is responsible, including completion of preaward surveys when required;

(c) Arrangements with other Government agencies for using facilities under their control;

(d) Verification that any required security clearance has been obtained; and

(e) Establishment of the requirement for the contractor to furnish data, both for technical evaluation and for competitive reprocurement when follow-on procurement is probable, if the appropriate technical office has requested such data.

18-15.170 Factors in negotiation.

During negotiations, contracting officers and their negotiators shall give due attention to the following factors listed in (a) through (h) and any other appropriate factors:

(a) Comparison of --

(1) The business reputations, capabilities, and responsibilities of the offerors;
(2) Prices quoted by each with other prices for the same or similar supplies or services, with due regard to production costs, including extra-pay shift, multi-shift, and overtime costs, and any other factors relating to price, such as profits, transportation costs, and cash discounts.

(b) Consideration of --

(1) The quality of the supplies or services offered or the quantity of the same or similar supplies or services previously furnished, with particular regard to the satisfaction of technical requirements;
(2) Delivery requirements;
(3) Cost sharing, if required (see 18-16.303);
(4) The size of the business concern;
(5) Whether the offeror requires expansion or conversion of plant facilities;
(6) Whether the offeror is in a labor surplus area;
(7) Whether the offeror will have an adequate supply of qualified labor;
(8) The extent of subcontracting;
(9) The offeror's existing and potential workload;
(10) The possibility of broadening the industrial base by developing additional suppliers;
(11) Whether the 'offeror requires Government-furnished property, machine tools, or facilities, or Government-operated test facilities; and
(12) The rules for avoiding of organizational conflicts of interest (see FAR Subpart 9.5).

(c) Discriminating use of price and cost analyses.

(d) Investigation of price aspects of any important subcontract.

(e) Individual bargaining, by mail or by conference.

(f) Effective utilization of the most desirable type of contract.

(g) Advantages or disadvantages to the Government that might result from making multiple awards (see FAR 15.605(f).

(h) Royalties the Government will be required to pay under patent license agreements.

SUBPART 18-15.4
SOLICITATION AND RECEIPT OF PROPOSALS AND QUOTATIONS

18-15.405 Solicitations for information or planning purposes.

18-15.405-1 General.

(a) Solicitations for information or planning purposes are particularly useful when a procurement can be properly negotiated only after potential offerors have had an opportunity to become familiar with a large quantity of data, or when it would be desirable to have industry participation in formulating and reviewing complex specifications or requirements. Solicitations for information or planning purposes can have desirable benefits. They can promote competition and help ensure the reasonableness and feasibility of the requirement. Potential sources can be apprised of NASA requirements in a particular field and invited to submit data for consideration early in the acquisition process without undue expenditure of time, effort, and money.

(b) Solicitations for information or planning purposes may not be used as a means for prequalifying offerors. While, under some circumstances, their use may lengthen the acquisition cycle, it may shorten the time required for submitting proposals when a large quantity of data must be analyzed by industry before proposals can be submitted.

18-15.405-70 Application.

(a) Solicitations for information or planning purposes should be utilized when appropriate; e.g., in major systems acquisitions or other complex projects for which feasibility or technology studies are being conducted (either in-house or by contract) that may have relevance to later competitions. The results of such studies may be made available to industry as soon as they are known or periodically.

(b) Requirements for automatic data processing equipment or support services to perform specified operations or achieve certain results may be suitable for advance review and comment by the private sector when diverse approaches to accomplishing mission objectives may be feasible. The material made available in advance may vary from a comprehensive draft of a proposed requirement to a partial draft; e.g., statement of work and/or specifications or reports.

18-15.405-71 Procedure.

(a) In making advance information available to industry, sufficient time should be allowed to permit potential sources an opportunity, commensurate with the task, to prepare and submit a response to the solicitation for information or planning purposes. Invitations for bids and requests for proposals may not be used for these purposes. Solicitations for information or planning purposes may be issued only with the procurement officer's prior approval (see FAR 15.405-1).

(b) The provision at FAR 52.215-3 does not prohibit the allowance, under FAR 31.205-18, of the cost of preparing a response to the solicitation. Solicitations for information or planning purposes shall at least (1) request an expression of interest in the contemplated requirement and (2) designate a time and place for submitting responses. Each solicitation shall define, as explicitly as possible, the information the Government desires and indicate whether it is contemplated that the solicitation will be followed by a conference. After approval by the procurement officer, the solicitation shall be forwarded to potential sources and synopsized according to in FAR Subpart 5.2.

(c) Each source responding to the solicitation shall be advised of the details of any pending conference. The conference, when provided for, shall be conducted by procurement personnel and should be attended by technical, legal, and other personnel as appropriate. Care must be taken not to prejudice any future competition. All sources shall be furnished identical information in connection with the proposed requirement. Care shall be taken to safeguard any information received in confidence.

18-15.405-72 Special considerations.

The procedure in 18-15.405-71 does not constitute procurement in the usual sense, where the Government is fully aware of its requirements and has incorporated them in a formal solicitation or firms are invited to make known their interest in a procurement by responding to a presolicitation notice. Under the solicitation for information or planning purposes procedure, interested firms may suggest changes in a proposed specification or statement of work; propose alternatives in concept, method, design, system integration, and the like that might result in lower costs without sacrificing performance; or recommend changes in other requirements regarding the product or service involved. Care should be exercised in this connection to avoid potential conflict of interest situations. (See FAR Subpart 9.5.)

18-15.406 Preparing requests for proposals (RFP's) and requests for quotations (RFQ's).

(a) Requests for proposals (RFP's), including amendments to them, shall be prepared by the contracting office, with assistance from technical or other offices as required, and be issued by the contracting officer or an authorized representative. The RFP has a twofold purpose: (1) to convey to prospective offerors the information they need to prepare a proposal properly, and (2) to solicit the information that procurement and technical personnel need to appraise proposals.

(b) RFP's shall specify a date for their submission. Any extension of time granted to one prospective offeror shall be granted uniformly to all. Any RFP shall be issued simultaneously to all prospective offers; no prospective offeror shall be given an advantage. When advisable, particularly in the case of research and development, proposals shall be requested in two parts: (1) an unpriced technical proposal, and (2) a cost proposal cross-referenced to the technical proposal (see 18-15.406-70).

18-15.406-2 Part I - The Schedule.

Section C, Description/specifications/ work statement.

(a) In source evaluation board procurements, when detailed program or project support plans will be required as part of the offeror's proposal, but will not be important discriminators in the evaluation process and cover only technical or management support to the primary product or service being offered, describe the requirements for those plans in separate appendices to the statement of work (see 18-15.406-70(a)(7)).

(b) In solicitations for cost-reimbursement support services contracts requiring price quotations, include available data regarding the quantity and quality of supplies and services required, set forth in terms of work hours of identifiable categories of labor, including experience and related qualifications, and in terms of quantities of supplies, all exclusive of costs (see 18-15.406-70(b)(8)).

18-15.406-4 Part III--List of documents, exhibits, and other attachments.

Section J, List of attachments. List here all of the documents, exhibits, and other attachments making up the solicitation package; give form number, name, date, and number of pages for each document; give type and identifier (for example, "Exhibit A"), name, and number of pages for each exhibit, appendix, or other attachment (for example: work frequency schedules, work breakdown structures, work statements, specifications, special requirements, or other documents too lengthy to be conveniently written into the solicitation proper).

18-15.406-5 Part IV--Representations and instructions.

(a) **Section K, Representations, certifications, and other statements of offerors or quoters.** See 18-45.104(b).

(b) **Section L, Instructions, conditions, and notices to offerors or quoters.**

(1) State if the selected contractor will require access to classified information (see NMI 1650.1, Industrial Security Policies and Procedures).

(2) Indicate the method and format of price quotation desired (fixed-price or cost-reimbursement, if known at the time), including a reference to the necessity for cost or price breakdown.

(3) Describe the information required to support proposed prices; e.g., subcontract structure, purchasing system, royalty, and cost or price information (see FAR Subparts 15.7 and 15.8, and FAR Part 44).

(4) Include instructions for disposing of drawings and specifications supplied with the solicitation.

(5) Include a statement of information required to facilitate evaluation of technical and financial capabilities and a statement covering special technical capabilities any contractors must possess.

(6) Include an instruction reflecting desirability of a separation between the offeror's business management proposal and technical proposal. For evaluation purposes, separate proposals, if time permits, should be received; therefore the format should be flexible enough to permit separate requirements (see 18-15.406-70).

(7) State that the solicitation does not commit the Government to pay any cost incurred in submitting the offer or in making necessary studies or designs for its preparation, nor to contract for services or supplies.

(8) Include a statement that "PROPOSALS MUST SET FORTH FULL, ACCURATE, AND COMPLETE INFORMATION AS REQUIRED BY THE SOLICITATION (INCLUDING ATTACHMENTS). THE PENALTY FOR MAKING FALSE STATEMENTS IN PROPOSALS IS PRESCRIBED IN 18 U.S.C. 1001."

18-15.406-70 Instructions for technical proposal and business management proposal submission.

When it is contemplated that the contract will exceed $1,000,000 (or, if appropriate, lesser amounts), the solicitation should require submission of the information in paragraphs (a) and (b) below, if applicable, in addition to any other information specified elsewhere in this section 18-15.406.

(a) **Technical proposal.** Proposals should include the following:

(1) The method by which the offeror proposes to solve the technical problems of the project, other than information to be furnished elsewhere as a part of program or project support plan summaries (see (7) below).

(2) Any specific exceptions to proposed technical requirements.

(3) A statement of background experience in fields relating to the procurement.

(4) Names and resumes of experience of key technical personnel who will be employed on the project and the extent to which each will participate, together with an organization chart of the segment of the offeror's organization that will be directly assigned to the project, listing names and job categories.

(5) Description and location of the company-owned research, test, and production equipment and facilities available for use on the project, accompanied by a separate list of any additional facilities or equipment required in the performance of the work, and a separate list of existing Government facilities available to the contractor and required for use on the project.

(6) Hourly time estimates (without pricing information) by labor class for each phase or segment of the project, the extent to which these estimates are based on the use of employees presently on the offeror's payrolls who will be available for the work as required, and an indication of the number and types of personnel necessary to be hired and arrangements made to obtain them.

(7) For procurements described in 18-15.406-2(a) --

(i) As part of the original proposal, estimates of the cost and work force to perform major tasks under each requirement separately identified, and a summary of the major task elements to perform each requirement; and

(ii) A statement by each offeror that it is understood that, if selected for negotiations, the offeror will ultimately be required to furnish a detailed program or project support plan that will be negotiated into the contract prior to award.

(b) **Business management proposal.** Proposals should include the following:

(1) The organization proposed for carrying out the project, including organization charts showing the interrelationship of business, technical, and subcontract management and an indication of all levels of operation and management, from lower levels through intermediate management to top-level management.

(2) A summary of the experience of all key personnel who will conduct the managerial affairs of the project.

(3) Contractual procedures proposed for the project to effect administrative and engineering changes, describing any differences from existing procedures.

(4) The extent to which the offeror has invested corporate funds in research and development work in the project area or directly related areas and plans for future expenditures for such work; and the extent, if any, to which the offeror is willing to participate in the cost of the project.

(5) A statement as to --

(i) The capacity at which company-owned research, test, and production equipment and facilities required to perform the work are currently working;

(ii) The extent to which they could handle the additional workload imposed by this project;

(iii) The cost of any additional facilities or equipment required to perform the work, with information as to whether they will be contractor-furnished or Government-furnished; and

(iv) The value of existing Government facilities available to the offeror and required for use on the project, showing the Government agencies and facilities contracts involved.

(6) A statement of past performance and experience, including --

(i) A list of Government contracts in excess of $1,000,000 received in the past three years or currently in negotiation involving mainly research and development work, showing each contract number, the Government agency placing the contract, the type of contract, and a brief description of the work;

(ii) For each cost-reimbursement contract listed pursuant to subdivision (i) above, a list of amounts of cost overruns or underruns, reasons for them, and percentage of fixed fee;

(iii) For each contract listed pursuant to subdivision (i) above, a record of contract completion as against completion date anticipated at the time of entering into the contract, with explanations for completion delays; and

(iv) An identification and explanation of any terminations for default or convenience.

(7) A balance sheet for the offeror's last fiscal year, accompanied by a profit and loss statement.

(8) A detailed cost or price proposal, furnished as a separate, detachable element of the business management proposal and based on the effort described or estimated in the solicitation. This cost or price proposal is a requirement for the proposal to be responsive. If the offeror believes the work can be accomplished more efficiently with organizational plans, staffing, management, or equipment differing from those indicated in the solicitation, it may also submit an alternative proposal supported by a detailed cost or price proposal (see 18-15.406-2, Section C, (b)); this alternative proposal must be in addition to, not in lieu of, the basic proposal.

18-15.407 Solicitation provisions.

(a) The provision at FAR 52.215-10, Late Submissions, Modifications, and Withdrawals of Proposals, prescribed in FAR 15.407(c), shall not be used in solicitations for the Small Business Innovation Research (SBIR) program or for broad agency announcements listed in 18-35.016. See instead 18-15.407-70(b).

(b) The provision at FAR 52.215-12, Restriction on Disclosure and Use of Data, prescribed in FAR 15.407(c), shall not be used in NASA solicitations. See instead 18-15.407-70(a).

18-15.407-70 NASA solicitation provisions.

(a) The contracting officer shall insert in RFP's and RFQ's (but not in solicitations for information or planning purposes) the provision at 18-52.215-72, Restriction on Use and Disclosure of Proposal/Quotation Information (Data). (See also 18-15.509-70(a)).

(b) In accordance with 18-15.412, the contracting officer shall use the provision at 18-52.215-73, Late Submissions, Modifications, and Withdrawals of Proposals (AO and SBIR Programs), in lieu of the provision at FAR 52.215-10 in Announcements of Opportunity issued pursuant to Subpart 18-70.1 and in Small Business Innovation Research (SBIR) solicitations. This provision allows the project office to accept late proposals or proposal modifications and late best and final offers if, in the selection official's judgment, to do so is in the Government's best interest.

(c) The contracting officer may insert a provision substantially as stated at 18-52.215-74, Alternate Proposals, in competitive requests for proposals if receipt of alternate proposals would benefit the Government. See FAR 52.215-13(d).

(d) In accordance with 18-15.406-5(b)(7), the contracting officer shall insert the provision at 18-52.215-75, Expenses Related to Offeror Submissions, in all requests for proposals.

(e) In accordance with 18-15.406-5(b)(8), the contracting officer shall insert the provision at 18-52.215-76, False Statements, in all requests for proposals to advise offerors of the penalty for making false statements in proposals.

(f) The contracting officer shall insert the provision at 18-52.215-77, Preproposal/Pre-bid Conference, in competitive requests for proposals and invitations for bids where the Government intends to conduct a preproposal or pre-bid conference. Insert the appropriate specific information relating to the conference. Supplemental information, such as an agenda summary and whether a tour is included, may be identified in "Other Information."

(g) The contracting officer shall insert the provision at 18-52.215-80, Disposal of Unsuccessful Proposals, in competitive requests for proposals.

(h) For grouping items in the solicitation in contemplation of an aggregate award, see 18-14.201-670(b).

(i) For requiring full quantities to be proposed, see 18-14.201-670(c).

18-15.412 Late proposals and modifications.

This section applies to broad agency announcements listed in 18-35.016 and SBIR Phase I and Phase II solicitations only. See FAR 15.412 for policy regarding late proposals/modifications under other solicitations.

(a) Proposals, or modifications to them, received from qualified firms after the latest date specified for receipt may be considered if a significant reduction in cost to the Government is probable or if there are significant technical advantages, as compared with proposals previously received. In such cases, the project office shall investigate the circumstances surrounding the submission of the late proposal or modification, evaluate its content, and submit written recommendations and findings to the selection official or a designee as to whether there is an advantage to the Government in considering the proposal.

(b) The selection official or a designee shall determine whether to consider the proposal.

(c) Offerors may withdraw proposals any time before award, provided the conditions in paragraph (b) of the provision at 18-52.215-73, Late Submissions, Modifications, and Withdrawals of Proposals (AO and SBIR Programs), are satisfied.

18-15.413 Disclosure and use of information before award.

(a) The alternate procedures at FAR 15.413-2 shall be used for NASA procurements in lieu of those prescribed at FAR 15.413-1. The policies and procedures of FAR 15.413 and NFS 18-15.413-2 shall apply both before and after award. The notice at FAR 15.413-2(e) shall be placed on the cover sheet of all proposals, whether solicited or unsolicited. (See 18-5.303-70(a)(1)(iii) regarding release of the names of firms submitting offers.)

(b) During evaluation proceedings, whether or not a source evaluation board is used, NASA personnel participating in any way in the evaluation may not reveal any information concerning the evaluation to anyone not also participating, and then only to the extent that the information is required in connection with the evaluation. When non-NASA personnel participate, they shall be instructed to observe these restrictions. (Information shall be provided to unsuccessful offerors in accordance with FAR 15.1003 and 18-15.1003. See also 18-15.413-2.)

18-15.413-2 Alternate II.

(a) **General.** The references in FAR 15.413-2 to the provision at FAR 52.215-12 shall be considered to be references to the provision at 18-52.215-72.

(b) **Policy.** It is NASA policy to have proposals evaluated by the most competent technical and management sources available. When it is necessary to disclose a proposal outside the Government to meet NASA's evaluation needs --

(1) Personnel participating in evaluation proceedings shall be instructed to observe the restrictions in FAR 15.413 and 18-15.413.
(2) The requirements in paragraphs (c) and (d) below shall be met.
(3) JPL and other non-government participants in evaluation proceedings shall be appointed as special government employees, except for evaluation proceedings resulting from Broad Agency Announcements (18-35.016) and unsolicited proposals.

(c) **Approval.** Under FAR 15.413-2(f)(1), only the Assistant Administrator for Procurement, NASA Headquarters, or a designee, with the concurrence of General Counsel or designee, is authorized to make a decision to disclose a proposal outside the Government or JPL, except that (1) proposals submitted in response to Announcements of Opportunity may be disclosed in accordance with 18-70.103, App. I, and NMI 1156.4 and any amendments to them and (2) unsolicited proposals and proposals in response to a NASA Research Announcement may be disclosed with the concurrence of the NASA official one level higher than the NASA program official responsible for overall conduct of the evaluation.

(d) **Agreement with evaluator.** When, in accordance with paragraph (c) above, it is determined to disclose a proposal outside the Government or JPL, the following agreement, or a similar arrangement appropriate for the treatment of the proposal, shall be obtained in writing from the evaluator prior to disclosure. Also, the releasing official shall review the proposal to ensure that the notice at FAR 15.413-2(e) (see 18-15.413(a)) is affixed before it is disclosed to the evaluator.

CONDITIONS FOR EVALUATION OF PROPOSALS
(DECEMBER 1988)

(1) Whenever NASA furnishes a proposal for evaluation, the recipient agrees to use the information in the proposal for NASA evaluation purposes only.

(2) This requirement does not apply to information obtained from another source without restriction.

(3) The NASA notice on the cover sheet, and any notice that may have been placed on the proposal by its originator, shall be applied to any reproduction or abstract. Upon completion of the evaluation, the recipient shall return all copies of the proposal and abstracts, if any, to the NASA office that initially furnished the proposal for evaluation.

(4) Unless authorized by the NASA initiating office, the recipient may not contact the originator of

the proposal concerning any aspect of its contents.

(End of agreement)

(e) **Rights in proposal data.** NASA may obtain rights in technical data (but not commercial and financial information) contained in a solicited or unsolicited proposal upon which a contract award is based, by specific agreement with the prospective contractor in accordance with the procedures of FAR 27.407 and the clause at FAR 52.227-23, Rights to Proposal Data (Technical).

SUBPART 18-15.5
UNSOLICITED PROPOSALS

18-15.502 Policy.

NASA will foster and encourage the submission of unsolicited proposals relevant to agency mission requirements by expeditious and equitable handling of all unsolicited proposals.

18-15.503 General.

(a) **Submission to other agencies or JPL.** NASA will not accept for formal evaluation unsolicited proposals initially submitted to another agency or to the Jet Propulsion Laboratory (JPL) without the offeror's express consent. Proposals submitted to NASA shall not be transferred to JPL for procurement without the offeror's written permission.

(b) **Transferring proposals.** When a reviewing official determines that an unsolicited proposal is not related to NASA's mission or may be of interest to agencies in addition to NASA, the proposal control officer may identify for the offeror other agencies whose missions may bear a relationship to the subject matter of the unsolicited proposal. NASA shall not respond to an unsolicited proposal by transferring it to another agency for action without the offeror's written consent.

(c) **Relationship to award.** All unsolicited proposals may be prepared in a similar fashion, since NASA does not have separate "contract proposal" and "grant proposal" categories. An unsolicited proposal may result in the award of a contract, a grant, a cooperative agreement, or other agreement. If a grant or cooperative agreement is used, the NASA Grant and Cooperative Agreement Handbook (NHB 5800.1) applies.

18-15.504 Advance guidance.

18-15.504-70 Unsolicited proposal brochure.

The Office of Procurement (Code HP) is responsible for preparing for public use a brochure titled "Guidance for the Preparation and Submission of Unsolicited Proposals," which shall be provided without charge by procurement and other NASA officials in response to requests for proposal submission information. The brochure, issued pursuant to FAR 15.504, constitutes NASA's single, official, general-purpose guidance document for public use in submitting unsolicited proposals. A deviation is required for use of any modified or summarized version of the brochure or for alternate means of general dissemination of unsolicited proposal information. The Headquarters Office of Small and Disadvantaged Business Utilization (Code K) is responsible for internal distribution of the brochure. Installations and individuals should request bulk supplies from that office.

18-15.505 Content of unsolicited proposals.

18-15.505-70 Unsolicited renewal proposals.

Renewal proposals, (i.e., those for the extension or augmentation of current contracts) are subject to the same FAR and NFS regulations, including the requirements of the Competition in Contracting Act, as are proposals for new contracts. Unsolicited renewal proposals within the scope of an open NASA Research Announcement (NRA) shall be evaluated in the same manner as unsolicited proposals described in 18-15.506(b).

18-15.506 Agency procedures.

(a) **NASA unsolicited-proposal coordinating offices.**

(1) NASA Headquarters and each NASA field installation shall designate an organizational entity as its unsolicited-proposal coordinating office for receiving and coordinating the handling and evaluation of unsolicited proposals in accordance with the policies and procedures of FAR Subpart 15.5, this Subpart 18-15.5, and NHB 5800.1.

(2) Each installation shall establish procedures for handling proposals initially received by other offices within the installation. Misdirected proposals shall be forwarded by the coordinating office to the proper installation. Field installation coordinating offices are also responsible for providing guidance to potential offerors regarding the appropriate NASA officials to contact for general mission-related inquiries or other preproposal discussions.

(3) At Headquarters, responding to general inquiries from academic researchers is the responsibility of the Headquarters coordinating office, while handling inquiries from all other offerors is the responsibility of the Contracts and Grants Division (Code HW).

(b) **Relationship to open NRAs.** An unsolicited proposal for a new effort, identified by an evaluating office as being within the scope of an open NRA, shall be evaluated as a response to that NRA under 18-35.016-70(e), provided that the evaluating office can either (i) state that the proposal is not at a competitive disadvantage or (ii) give the offeror an opportunity to amend the unsolicited proposal to ensure compliance with the applicable NRA proposal preparation instructions. If these conditions cannot be met, the proposal must be evaluated separately.

(c) **Reconsideration.** An appropriately revised submission that is responsive to comments contained in an initial determination of inadequacy under FAR 15.506-1 shall be reconsidered by NASA officials.

(d) **Information requirements.** Coordinating offices shall keep records of unsolicited proposals received and shall provide prompt status information to requestors. These records shall include, at a minimum, the number of unsolicited proposals received, funded, and rejected during the fiscal year; the identity of the offerors; and the office to which each was referred. The numbers shall be broken out by source (large business, small business, university, or nonprofit institution).

18-15.507 Contracting methods.

A justification for other than full and open competition (JOFOC) is required in accordance with FAR 6.302 and 6.303. See 18-5.202 for guidance in complying with the preaward synopsis requirement at FAR 15.507(b)(4).

18-15.508 Prohibitions.

FAR 15.508(b) shall not apply to NASA; see instead 18-15.508-70.

18-15.508-70 NASA prohibitions.

Information (data) in unsolicited proposals furnished to the Government is to be used for evaluation purposes only. Disclosure outside the Government for evaluation is permitted only to the extent authorized by, and in accordance with procedures in, FAR 15.413-2 and 18-15.413.

18-15.509 Limited use of data.

FAR 15.509 shall not apply to NASA. See instead 18-15.509-70.

18-15.509-70 Limited use of proposals.

(a) The provision at 18-52.215-72, Restriction on Use and Disclosure of Proposal/Quotation Information (Data), is applicable to unsolicited proposals.

(b) If an unsolicited proposal is received with a more restrictive legend than made applicable by paragraph (a) above, the procedures of FAR 15.413-2(c) apply.

(c) Upon receipt in the coordinating office, the Government notice in FAR 15.413-2(e) shall be placed on the cover sheet of all unsolicited proposals.

(d) Unsolicited proposals shall be evaluated outside the Government only to the extent authorized by, and in accordance with the procedures prescribed in, FAR 15.413-2(f) and 18-15.413.

(e) If a request is made under the Freedom of Information Act for any information contained in an unsolicited proposal, the procedures of FAR 15.413-2(g) apply.

18-15.570 Foreign proposals.

Unsolicited proposals from foreign sources are subject to NMI 1362.1, Initiation and Development of International Participation and Cooperation in Aeronautical and Space Programs.

SUBPART 18-15.6
SOURCE SELECTION

18-15.608 Proposal evaluation.

The authority in FAR 15.608(b) to determine in writing that rejection of all proposals received in response to a solicitation is in the public interest is delegated to the contracting officer.

18-15.608-70 Technical evaluation.

(a) Technical evaluation should include consideration of --

(1) The offeror's understanding of the scope of the work as shown by the scientific and technical approach proposed;
(2) The availability and competence of experienced engineering, scientific, or other technical personnel;
(3) The availability of necessary research, test, and production facilities;
(4) Experience or pertinent novel ideas in the specific branch of science or technology involved;
(5) The offeror's willingness to devote its resources to the proposed work with appropriate diligence; and
(6) The offeror's proposed method of achieving the reliability required.

(b) In making this evaluation, technical personnel may be given access to portions of the business proposals upon request. After evaluation and preparation of written findings by the technical personnel, proposals shall be returned to the negotiator. The contracting officer shall review the documentation supporting the written findings of the technical personnel to determine that such documentation is adequate and complete.

18-15.608-71 Automatic data processing equipment.

In evaluating proposals containing a significant amount of cost for automatic data processing equipment (ADPE), the contracting officer should obtain from the offeror a feasibility study and a lease-versus-purchase study covering the acquisition of such equipment or service. The contracting officer shall obtain the recommendations of the price analyst and appropriate ADPE technical personnel as to the adequacy of the studies and the offeror's determinations resulting from the studies. Particular attention should be given to proposals containing a high dollar amount for renting ADPE or complete systems to be used solely for performing the contract. Current Office of Management and Budget criteria (NHB 2410.1, Information Processing Resources Management) should be used, when applicable, as a guide in evaluating the offeror's studies. Contractors should be encouraged to --

(a) Use ADPE machine time available within a reasonable geographic distance;

(b) Use telecommunications links to remote Government-owned or -leased ADPE systems; and

(c) Purchase ADPE in preference to leasing the equipment when financial advantage is the sole or overriding factor.

18-15.610 Written or oral discussion.

FAR 15.610(c)(2) shall not be applied in negotiation of NASA procurements. It is contrary to NASA procedures that limit discussions with offerors (see FAR 15.613 and 18-15.613).

18-15.613 Alternative source selection procedures.

18-15.613-70 General.

Pursuant to FAR 15.613, the source selection procedures in 18-15.613 that limit discussions with offerors and that otherwise differs from procedures described in FAR 15.610, apply to all procurements negotiated by NASA. Other than these differences, FAR 15.6 shall apply. The evaluation of proposals received may be accomplished in a number of ways. Evaluation of proposals received in response to an Announcement of Opportunity shall be accomplished in accordance with 18-70.103, App. I. Proposals received in response to an open NASA Research Announcement will be evaluated in accordance with 18-35.016-70(e). Unsolicited proposals identified by an evaluating office as being within the scope of an open NASA Research Announcement shall be evaluated under 18-35.016-70(d). Small Business Innovation Research (SBIR) proposals will be evaluated in accordance with the SBIR program solicitations issued under the authority of section 9 of the Small Business Act (15 U.S.C. 638). The applicability of and rules for the conduct of source selection in accordance with formal source evaluation board (SEB) procedures are covered in 18-15.613-71. The policies prescribed in 18-15.613-71 shall also be applied to other negotiated procurements.

18-15.613-71 Evaluation and negotiation of procurements conducted in accordance with source evaluation board (SEB) procedures.

(a) Applicability.

(1) Unless an exception applies, these SEB procedures shall be followed in all competitive negotiated procurements of $25,000,000 or more, including those in which the initial contract is less than $25,000,000 but it is likely that the source selected will receive contracts for follow-on or later phases of the same project that, when added to the initial contract, will result in a combined total of $25,000,000 or more. (Examples are options and later phases as in A-109 procurements.) Exceptions to this requirement include architect-engineer procurements and procurements of ADP subject to the Brooks Act (40 U.S.C. 759), as implemented by the Federal Information Resources Management Regulation (FIRMR) (41 CFR 201). However, the use of SEB procedures is optional for procurements of ADP subject to the Brooks Act.

(2) Detailed procedures regarding designation and operation of SEBs are in 18-70.303, App. I, commonly known as the Source Evaluation Board Handbook.

(3) Evaluation of system design concepts submitted in response to requests for alternative system design concept proposals in support of a major system acquisition subject to NMI 7100.14 should include, in addition to consideration of proposed system function and performance capabilities to meet mission needs and program objectives, an analysis of resources required and of benefits to be derived by trade-offs, when feasible, among technical performance, acquisition costs, ownership costs, time to develop and procure, and the relevant accomplishment record of competitors.

(4) The formal SEB procedures (18-70.303, App. I) may be used in other competitively negotiated procurements, if the source selection official determines it desirable to do so.

(b) Evaluation and selection procedures.

(1) ***Responsibility of source selection official.*** In the final analysis, NASA's judgment on the totality of the evaluation will be that of the

source selection official, including assessment of the procedures followed by the SEB, the validity of its substantive evaluations, the relative significance of the several areas of evaluation and their weightings in the light of all the information produced by the source evaluation and selection process.

(2) ***Evaluation factors, subfactors, and elements and weights.*** Establishing evaluation factors, subfactors, and elements and their weights requires the exercise of judgment on a case-by-case basis. They should be tailored to the requirements of each procurement. Technical excellence, price or estimated cost, and contractor management capability are important factors in selection. Their relative importance depends on the nature of the products or services procured. Any factor may tip the balance when competition is very close. Evaluation factors, subfactors, and elements shall be described in each RFP sufficient to inform evaluators and prospective offerors of the significant matters to be addressed in proposals. The evaluation factors (Mission Suitability, Relevant Experience and Past Performance, Cost, and Other Considerations) shall be described, and a statement of their relative importance included. In addition, the weights assigned to the Mission Suitability subfactors and elements shall be included in the RFP.

(3) ***Initial identification of proposals not considered acceptable.***

(i) After review of committee ratings and other information known to the committees or the SEB and before ranking of proposals by the SEB, the SEB may discontinue the evaluation of any proposal that is unacceptable because --

(A) It does not represent a reasonable initial effort to address itself to the essential requirements of the RFP or clearly demonstrates that the offeror does not understand the requirements of the RFP;

(B) In research or development procurement, a substantial design drawback inheres in the proposal, and sufficient correction or improvement to consider the proposal acceptable would require virtually an entirely new technical proposal; or

(C) It contains major technical or business deficiencies or omissions or out-of-line costs which discussions with the offeror could not reasonably be expected to cure.

(ii) Simple technical nonresponsiveness in the sense in which the term is used in sealed bidding is not alone sufficient to constitute unacceptability if the proposal is otherwise competitive, and written and/or oral discussions or negotiations after selection reasonably offer the likelihood of resolution. When there is doubt as to whether a proposal should be rejected initially as unacceptable, that doubt shall be resolved by including it for further consideration.

(iii) Documentation must be prepared by the SEB as to why the deficiencies of any proposal are believed to be of sufficient significance to warrant discontinuing evaluation of the proposal at this point in the process.

(4) ***Determination of competitive range.***

(i) After initial identification of proposals not considered acceptable, the SEB shall tentatively rank the remaining proposals in accordance with the established scoring system. The SEB should not give scores for cost as such. After this ranking is completed, the proposals shall be reviewed to determine which are within the competitive range; namely, those having a reasonable chance of being selected for final award. In making this determination, the SEB, together with the contracting officer, shall evaluate the potential for improving the competitive position of the proposals by written or oral discussions conducted in accordance with subparagraph (5) below.

(ii) The competitive range consists of the best proposals, considering mission suitability, cost or price, relevant experience and past performance, and other considerations. When there is doubt as to whether a proposal is within the competitive range, that doubt shall be resolved by including it.

(iii) The initial number of offerors whose proposals are considered as being within the competitive range may be narrowed as a result of the written or oral discussions. However, a proposal initially included in the competitive range should not be rejected without giving the offeror an opportunity to submit a revised proposal to serve as the basis for establishing the new competitive range, unless the discussions relating to an ambiguity or omission make it clear that the proposal should not have been included in the competitive range initially.

(5) *Conduct of written or oral discussions.*

(i) *General.* Careful judgment must be exercised in determining the extent of discussions. In some cases, good business practice may warrant having more than one round of discussions with the offerors whose proposals are considered in the competitive range. The time available, the expense and administrative limitations, and the size and significance of the procurement should all be considered in deciding on the type, duration, and depth of the discussions.

(ii) *Cost-reimbursement contracts and all contracts for research and development.*

(A) The contracting officer, in concert with or on behalf of the SEB, will conduct written and/or oral discussions of the effort to be accomplished and the cost or price of the effort with all offerors determined to be within the competitive range. The discussions are intended to assist the SEB or other evaluators (1) in understanding fully each offeror's proposal and its strengths and weaknesses based upon the individual efforts of each offeror, (2) in assuring that the meanings and the points of emphasis of RFP provisions have been adequately conveyed to the offerors so that all are competing equally on the basis intended by the Government, (3) in evaluating the personnel proposed by each firm, and (4) in presenting a report to the Source Selection Official that makes the discriminations among proposals clear and visible. In this process, prior to contractor selection, the Government's interests are not served by its assuming the role of an information exchange or clearinghouse.

(B) In cost-reimbursement type contracts and all research and development contracts, the contracting officer shall point out instances in which the meaning of some aspect of a proposal is not clear and instances in which some aspects of the proposal failed to include substantiation for a proposed approach, solution, or cost estimate.

(C) However, where the meaning of a proposal is clear and the Board has sufficient information to assess its validity and the proposal contains a weakness that is inherent in an offeror's management, engineering, or scientific judgment or which is the result of its own lack of competence or inventiveness in preparing its proposal, the contracting officer shall not point out the weaknesses. Discussions are useful in ascertaining the presence or absence of strengths and weaknesses. The possibility that such discussions may lead an offeror to discover that it has a weakness is not a reason for failing to inquire into a matter where the meaning is not clear or where insufficient information is available, since understanding of the meaning and validity of the proposed approaches, solutions, and cost estimates is essential to a sound selection. Offerors should not be informed of the relative strengths or weaknesses of their proposals in relation to those of other offerors. To do so would be contrary to other regulations which prohibit the use of auction techniques (see FAR 15.610(d)(3)). In the course of discussions, Government participants should be careful not to transmit information which could give leads to one offeror as to how its proposal may be improved or which could reveal a competitor's ideas.

(D) The foregoing guidelines are not all-inclusive. Careful judgment must be exercised in the light of all the circumstances of each procurement to promote the most advantageous selection from the standpoint of the Government while, at the same time, maintaining the fairness of the competitive process.

(E) The contracting officer shall give each offeror a reasonable opportunity (with a common cut-off date for all) to support and clarify its proposal in a best and final offer which shall be submitted at the conclusion of discussions. An offeror may, on its own initiative, revise its proposal and make corrections or improvements until the established cut-off date.

(iii) **Fixed-price contracts other than for research and development.**

(A) In fixed-price type contracts other than for research and development, the specifications ordinarily describe the Government's requirements with more particularity than is possible in cost reimbursement or research and development contracting so that less emphasis is placed on an offeror's introduction of scientific, engineering, and management innovations. The contracting officer will conduct discussions in accordance with the provisions of subdivision (ii) above, except for the difference in subdivision (B) below.

(B) The contracting officer, in written or oral discussions, shall point out instances in which some aspect of a proposal contains a weakness in relation to the Government's requirements. But, as provided in subdivision (ii) above, the contracting officer shall neither point out the relative strengths or weaknesses of a proposal in relation to those of other offerors nor transmit information which could give leads to one offeror as to how its proposal may be improved or which could reveal a competitor's ideas. The contracting officer shall point out price elements that do not appear to be justified and shall encourage offerors to put forward their most favorable price proposals, but shall not discuss, disclose, or compare price elements of any other offeror.

(6) *Conduct of negotiations prior to selection.* If, after conclusion of written or oral discussions, the SEB considers that the evaluation findings thus far completed are not sufficiently comprehensive for the Source Selection Official to make a decision, it may be prudent and necessary to conduct further discussions or final negotiations with those offerors remaining in the competitive range prior to presentation of the findings to the Source Selection Official. This course of action must be considered as an exception to the SEB process and therefore may be accomplished only with the approval of the Assistant Administrator for Procurement.

(7) *Notice and debriefing.* When a proposal is no longer to be considered for contract award, the offeror shall be promptly notified, in writing, together with a general, reasonably brief explanation of the major reasons. If an offeror requests, in writing, a debriefing as a result of this notice, it will be accorded a formal debriefing in accordance with Subpart 18-15.10. The debriefing should be provided at the earliest feasible time, which normally shall be after announcement of the

selection decision and before award of the contract. However, when the exigency of the situation will not permit delaying the award in order to debrief unsuccessful offerors, debriefings may be conducted after award.

(8) *Report to Source Selection Official.* The SEB report shall summarize the primary points of discussion and show the effects of the discussions on the evaluation of proposals. The report shall set forth the strengths and weaknesses of each proposal, with an estimate of the potential for correction of the principal weaknesses identified. The report should also state the SEB's estimate of the approximate impact on cost or price that will result from the elimination of correctable weaknesses during negotiations after selection.

18-15.613-72 NASA solicitation provision.

The provision at 18-52.215-70, Increases in Estimated Costs, shall be included in all RFP's to be evaluated pursuant to SEB procedures, if award of a cost-reimbursement contract (with or without incentive arrangements) is contemplated. The purpose of this provision is to advise offerors selected for final negotiation that they may not unilaterally increase their estimated costs except for the reasons cited in the provision. Government negotiators are cautioned that when the second exception in the provision applies, there may be instances in which such increases in costs do not warrant additional fee.

SUBPART 18-15.7
MAKE-OR-BUY PROGRAMS

18-15.704 Items and work included.

Make-or-buy programs should not include items or work efforts estimated to cost less than $500,000.

18-15.706 Evaluation, negotiation, and agreement.

The make-or-buy program review by the installation's small and disadvantaged business utilization specialist and the SBA representative (see FAR 15.706(b)) should be concurrent with the contracting officer's review. When urgent circumstances preclude this or if the small and disadvantaged business specialist or SBA representative fails to respond on a timely basis, the contracting officer shall include an explanatory statement in the contract file and transmit copies to the specialist and the representative.

18-15.708 Contract clause.

18-15.708-70 NASA contract clause.

(a) The contracting officer shall insert the provision at 18-52.215-78, Make-or-Buy Program Requirements, in solicitations requiring make-or-buy programs as provided in FAR 15.703. This provision shall be used in conjunction with the clause at FAR 52.215-21, Changes or Additions to Make-or-Buy Program. The contracting officer may add an additional paragraph(s) identifying any other information required in order to evaluate the program.

(b) The contracting officer shall insert the clause at 18-52.215-79, Price Adjustment for "Make-or-Buy" Changes, in contracts that include FAR 52.215-21 with its Alternate I or II. Insert in the appropriate columns the items that will be subject to a reduction in the contract value.

SUBPART 18-15.8
PRICE NEGOTIATION

18-15.804 Cost or pricing data.

18-15.804-3 Exemptions from or waiver of submission of certified cost or pricing data.

(a) When an exemption is granted under FAR 15.804-3(e)(2) for repetitive submissions of catalog items, Government approval of the exemption claim shall state the effective period, usually not more than one year, and require the contractor to furnish any later information that might raise a question as to the exemption's continuation.

(b) When exempting submission under FAR 15.804-3(e)(3), the contracting officer may, by a solicitation provision or otherwise, either dispense with the requirement for an SF 1412 or limit the data required to be submitted on the form. For example, if the item being procured is similar to a commercial item, only an explanation of a price differential may be needed. If the fact of substantial sales to the general public is well known, the actual sales prices, but not the quantity of sales, may be required.

(c) The authority in FAR 15.804-3(i) to waive the requirement for cost or pricing data is delegated to the Assistant Administrator for Procurement, without power of redelegation. Set forth below is a format for the determination and findings to be made by the Assistant Administrator for Procurement to waive the requirement for submission and certification of cost or pricing data as required by 10 U.S.C. 2306(f). Requests for waivers shall be addressed to NASA Headquarters, Contract Pricing and Finance Office, Code HC.

National Aeronautics and Space Administration

Washington, DC 20546

Determination and Findings

Authority to Waive Submission of Cost or Pricing Data and Certificate

On the basis of the following findings and determination, the requirement for submitting the cost or pricing data and the certificate described below may be waived pursuant to the authority of 10 U.S.C. 2306(f), as implemented by NASA FAR Supplement 18-15.804-3(c).

Findings

1. The __(1)__ proposes to enter into a contract with __(2)__ for the procurement of __(3)__ .
2. Pursuant to FAR 15.804-2, the proposed contractor is required to submit cost or pricing data as defined in FAR 15.801, together with the certificate in FAR 15.804-4. However, waiver of submission of the cost or pricing data described below is justified for the reasons indicated: (4)

Determination

The requirement for submission of cost or pricing data described in the above findings for the proposed procurement is hereby waived.

Date __________

NOTES --

(1) Name of installation.
(2) Name of proposed contractor.

(3) Brief description of supplies or services.

(4) Identification of the cost or pricing data requirements to be waived. The waiver may be partial, i.e., limited to particular cost or pricing data. Also describe the circumstances and conditions that make the proposed procurement an exceptional case, and state the reasons justifying the proposed waiver.

18-15.805-4 Technical analysis.

18-15.805-470 Responsibilities of NASA requirements personnel.

NASA requirements personnel are responsible for conducting a technical evaluation of proposals to determine whether the supplies or services offered will meet specifications. In addition, when a cognizant contract administration office is not requested to perform a technical analysis of proposals in accordance with FAR 15.805-5, the analysis will be the responsibility of NASA requirements personnel.

18-15.805-5 Field pricing support.

(a) A field pricing report shall be obtained in accordance with FAR 15.805-5(a)(1), except that for cost-reimbursement contracts, the requirement for obtaining a field pricing report is $1,000,000.

(b) Whenever available data are adequate for a reasonableness determination, the contracting officer shall document the contract file to reflect the basis of the determination. Information of the type described in subparagraphs (1) through (6) below, which is often available to the contracting officer from the cognizant contract administration office or internal NASA sources, should be useful in determining the extent of any field pricing support needed (no single category of information is necessarily sufficient by itself; for example, information as to rates for labor and overhead would normally need to be accompanied by data concerning the base elements--labor hours, material costs, and so forth--to which the rates apply):

(1) In-house engineering determination of the level of effort required in connection with research and development or study contracts.

(2) Audited cost information from contract awards in process, or recently negotiated contracts.

(3) Adequately reviewed data on proposed subcontract items that constitute a major portion of the prime contract price proposal.

(4) Prices of standard commercial items that constitute a major portion of the prime contract price proposal.

(5) Special forward pricing formulas or rates, such as for support items or forecast overhead rates, prescribed in an existing advance agreement.

(6) Current labor rates, overhead rates, loading factors, and per diem rates, and lot data based upon actual costs and labor hours.

(c) When the contracting officer determines that information adequate to establish price reasonableness without field pricing support is available within NASA, but that a review by the auditor is still needed, the contracting officer should address the request directly to the cognizant audit office. The cognizant ACO shall be provided an information copy of this request.

(d) When input from the ACO or auditor involves merely a verification of information, contracting officers are encouraged to obtain this verification by direct telephone contact with the cognizant office and shall record it in the contract file.

(e) When the threshold at 18-15.805-5(a)(1) is met and the cost proposal is for a product of a follow-on nature, notwithstanding any other provision of this subsection 18-15.805-5, a complete report shall be requested from the cognizant contract administration office. The field pricing report will include, but not be limited to, actuals incurred under the previous contract, learning experience, technical and production analysis, and subcontract proposal analysis.

18-15.806 Subcontract pricing considerations.

The contracting officer shall notify the appropriate contract administration activities when review and evaluation of subcontractor's proposals (a) will require extensive field pricing assistance in connection with a major acquisition or (b) require special or expedited action by field pricing personnel that is being or has been delayed.

18-15.807 Prenegotiation objectives.

Before conducting negotiations requiring installation or Headquarters review, contracting officers or their representatives shall prepare a prenegotiation position memorandum setting forth the technical, business, contractual, pricing, and other aspects to be negotiated. Matters for negotiation may arise from proposal evaluations, contractor requests, unique installation requirements, or other Government agencies' requirements, among other things.

18-15.807-70 Content of the prenegotiation position memorandum.

The prenegotiation position memorandum (PPM) should fully explain the contractor and Government positions on any open issues and identify and justify the elements that are acceptable as proposed. Since the PPM will ultimately become the basis for negotiation, it should be structured to provide an audit trail to the contract negotiation memorandum (see FAR 15.808 and 18-15.808). Generally, the PPM should address the following subjects, in the order presented:

(a) **Introduction.** Include a brief description of the procurement and a brief history indicating the extent of competition and its results. Identify the contractor and place of performance (if not evident from the description of the procurement). In addition, the negotiation schedule should be addressed and the Government negotiating team members identified by name and position.

(b) **Special features and requirements.** In this area, discuss any special features (and related cost impact) of the procurement, including such items as --

(1) Letter-contract or precontract cost requirements;

(2) Government property to be furnished;

(3) Contract option requirements;

(4) Contractor/Government investment in facilities and equipment (and any modernization to be provided by the contractor/Government);

(5) Plant reconversion or plant clearance (see 18-45.106-71); and

(6) Any deviations, special clauses, or unusual conditions anticipated.

(c) **Cost and profit/fee analysis.**

(1) Include a parallel tabulation, by element of cost and profit/fee, of the

contractor's proposal, the Government's negotiation objective, and the Government's maximum position. For each element of cost, compare the contractor and Government estimates and explain how each was developed, including the estimating assumptions and projection techniques employed. Explain how historical costs, including costs incurred under a letter contract (if applicable), were used in developing the negotiation objective.

(2) Significant differences between the field pricing report (including any audit reports) and the negotiation objectives and/or contractor's proposal should be highlighted and explained, as should technical evaluation results that caused the Government's cost negotiation objectives to differ significantly from the contractor's proposed cost (such as differences in staffing). There should be an identification and a brief discussion of each major subcontract involved, citing the type of subcontract and stating the degree of analysis performed on the subcontract cost estimate. In addition, the rationale for the Government's profit/fee objectives and a completed copy of the NASA Form 634, Structured Approach--Profit/Fee Objective, if appropriate, should be included.

(3) Include particulars of the disposition of audit recommendations here. Resolution shall be considered accomplished when negotiation approval is granted. If, for some reason, the particulars cannot be included in the PPM, the disposition of the audit recommendations must be documented in the price negotiation memorandum (see FAR 15.808) or in other relevant file memoranda.

(d) **Type of contract contemplated.** Explain the type of contract contemplated and the reasons for its suitability. For an incentive contract, including award-fee contracts, describe the planned structuring arrangement in terms of profit/fee patterns, share lines, ceilings, and so forth.

(e) **Negotiation approval sought.** Indicate the specific approvals sought; e.g., dollar parameters, special clauses/conditions not constituting deviations, type of contract, fee objectives, and so forth.

18-15.807-71 Installation reviews.

Each contracting activity shall establish a formal system for the prenegotiation review of any proposal over $250,000 ($100,000 at Stennis Space Center, Jet Propulsion Laboratory, Space Station Procurement Office, and Headquarters Contracts and Grants Division). The scope of coverage, exact procedures to be followed, levels of management review, and contract file documentation requirements should be directly related to the dollar value and complexity of the procurement and shall be determined by each installation. The primary purpose of these reviews is to ensure that the negotiator, or negotiating team, is thoroughly prepared to enter into negotiations with a well-conceived, realistic, and fair plan.

18-15.807-72 Headquarters reviews.

Approval of the prenegotiation position by the Assistant Administrator for Procurement is required before negotiations on any procurement action selected for Headquarters review are entered into. Generally, at the time a procurement is processed as a Master Buy Plan (MBP) action under Subpart 18-7.71, a decision will have been made as to whether the prenegotiation position will be subject to Headquarters review and approval. However, prenegotiation positions on MBP procurement actions when the prenegotiation position was not initially selected for Headquarters review and approval, and non-MBP procurement action prenegotiation positions, may be selected for Headquarters review and approval at any point in the acquisition cycle prior to actual negotiations.

(a) **Scheduling of presentation.** When a prenegotiation presentation is required by Headquarters or requested by the installation concerned, scheduling of the presentation will be arranged by the Office of Procurement, Program Operations Division (Code HS), in consultation with appropriate Headquarters program officials. The installation shall notify Code HS sufficiently in advance of the desired presentation to permit scheduling and preparation by Headquarters staff.

(b) **Advance information.** Not less than ten working days in advance of the scheduled prenegotiation presentation, the installation shall provide Code HS with the following:

(1) Five copies of the PPM.

(2) Five copies of any briefing charts and/or viewgraphs to be used in the presentation. Briefing charts and/or viewgraphs shall summarize key points/factors identified in the PPM and should be grouped in the same manner as presented in the PPM.

(3) One copy each of the contractor's proposal, the Government technical evaluation, and all pricing reports (including any audit reports).

(c) **Waiver.** The Assistant Administrator for Procurement may waive the presentation requirement if, on the basis of Headquarters review of the advance information provided under subparagraph (b)(2) above, it is clear that installation personnel are thoroughly prepared to enter into negotiations.

(d) **Safeguarding prenegotiation material.** Prenegotiation data are very sensitive and should be handled accordingly. Close coordination with Code HS personnel should be maintained to ensure that prenegotiation material is not compromised during transit. Distribution of prenegotiation data shall be made on a need-to-know basis.

18-15.808 Price negotiation memorandum.

(a) The NASA contract negotiation memorandum serves as a detailed summary of (1) the technical, business, contractual, pricing, and other aspects of the contract negotiated, and (2) the methodology and rationale used in arriving at the final negotiated agreement.

(b) Normally, the contract negotiation memorandum is a "stand-alone" document. However, when a PPM has been prepared under 18-15.807, the subsequent contract negotiation memorandum need explain only (1) the differences between the prenegotiation position and the final negotiated settlement, and (2) the areas identified in FAR 15.808(a).

18-15.870 Subcontract price redetermination.

18-15.870-1 General.

(a) When subcontracts have been placed on a price-redetermination or fixed-price-incentive basis and the prime contract is to be repriced, it may be appropriate to negotiate a firm prime contract price, even though the contractor has not yet established final subcontract prices. The contracting officer may do this when convinced that the amount included for subcontracting is reasonable; e.g., when realistic cost or pricing data on subcontract efforts are available.

(b) However, even though the available cost data are highly indefinite and there is a distinct chance that one or more of the subcontracts eventually may be redetermined at prices lower than those predicted in redetermining the prime contract price, other circumstances may require prompt negotiation of the final contract price. In such a case, the contract modification evidencing the revised contract price should provide for adjustment of the total amount paid or to be paid under the contract on account of subsequent redetermination of the specified subcontracts. This may be done by including in the contract modification the clause prescribed at 18-15.870-2.

18-15.870-2 NASA contract clause.

The contracting officer shall insert the clause at 18-52.215-71, Adjustment for Subcontract Price Redetermination, in contract modifications that reflect a repricing of the prime contract when the prime contractor has not established final prices for one or more subcontracts under the contract that are on a price-redetermination or fixed-price incentive basis.

18-15.871 Procedures for identifying contractor's unallowable costs.

(a) The establishment, maintenance, and consistent use of procedures for identifying and segregating unallowable costs, which will assure compliance with CAS 405 and FAR 31.201-6, will benefit both the Government and contractors. Such procedures may vary between plants or divisions of a contractor because of size, mix of business, or complexity of organization. Some of the advantages of sound procedures are that --

(1) A greater degree of confidence can be placed on the accuracy and reliability of contractors' proposals, billings, and claims;

(2) They expedite the negotiation process; and

(3) They may reduce the scope of reviews performed by audit and other technical and procurement personnel.

(b) The responsible Federal contract audit organization shall review the contractor's procedures and practices in conjunction with other contract audit activities. Deficiencies shall be reported to the cognizant administrative contracting officer and, as appropriate, to contracting officers having substantial business with the contractor. Among the matters to be considered in determining the adequacy of a contractor's procedures are its policy, practices, and techniques for --

(1) Assignment of responsibilities within the organization for reviewing and approving claims against the Government;

(2) Identification of unallowable costs (expressly unallowable, mutually agreed to be unallowable, or specifically designated as unallowable by written decision of the contracting officer) together with the individual employees incurring such costs;

(3) Identification and computation of directly associated costs;

(4) Assurance that unallowable and directly associated costs are not included in estimated costs proposed or in incurred amounts claimed by the contractor;

(5) Coordination and communication between the elements of the contractor's organization that prepare proposals and claims and those responsible for identifying unallowable and directly associated costs; and

(6) Assuring the adequacy of the documentation maintained by the contractor identifying the unallowable costs together with directly associated costs.

18-15.872 Tracking and resolution of expenditure and system audit findings.

(a) This section implements OMB Circular No. A-50. Expenditure and system audit recommendations shall be resolved by formal review and approval procedures analogous to those at 18-15.807-71 and 18-15.807-72.

(b) On expenditure or system audits where a major disagreement exists between the contracting officer and the auditor that, in the opinion of the procurement officer, has a significant impact on the action involved, the planned resolution will be coordinated with NASA Headquarters, Code HC, before final action.

(c) (1) The contract audit follow-up system will track all audit recommendations arising out of expenditure and system audits when NASA has cognizant determination authority. Included will be audits involving actions such as contract incurred costs, indirect cost settlements, termination settlements, defective pricing, final pricing or contract close-out, estimating systems surveys, accounting system and internal control reviews, CAS non-compliance reports, and operations audits.

(2) The objective of the tracking system is to ensure that audit recommendations will be resolved as expeditiously as possible, but at a maximum, within six months of the date of the audit report. All audit recommendations involving questioned costs in the categories specified in subparagraph (1) above shall be tracked. (Audit recommendations involving the placement of contracts shall not be included in the tracking system.)

(d) Identification and tracking of expenditure and system audits under NASA cognizance shall be accomplished in cooperation with DCAA by means of the Contract Audit Follow-up Summary Sheet. The original form shall be attached to the original audit report and sent to the contracting officer having negotiation or resolution responsibility. The second, and only other copy, shall be sent to the NASA Headquarters focal point (Code HC). The summary sheet will identify the total costs questioned or considered avoidable and whether the audit recommendations, in the opinion of the auditor, are significant. The form also identifies the responsible contracting officer and provides a space to be completed by the contracting officer, upon resolution of the matter, with a statement describing how the audit recommendation was resolved, including, when appropriate, dollar values.

(e) Documentation in support of the contractor's procedures shall be made available to authorized Government personnel.

SUBPART 18-15.9
PROFIT

18-15.902 Policy.

As authorized by FAR 15.902, NASA has established a structured approach for determining profit or fee objectives. This approach, described in 18-15.970, is based on the profit-analysis factors appearing in FAR 15.905 and shall be used to determine profit or fee objectives for conducting negotiations in those acquisitions that require cost analysis, except in the case of:

(a) Architect-engineer contracts;

(b) Management contracts for operation and/or maintenance of Government facilities;

(c) Construction contracts;

(d) Contracts primarily requiring delivery of material supplied by subcontractors;

(e) Termination settlements;

(f) Cost-plus-award-fee contracts (however, contracting officers may find it advantageous to perform a structured profit analysis as an aid in arriving at an appropriate fee arrangement); and

(g) Contracts having unusual pricing situations when the structured approach is determined unsuitable and the exemption is (1) justified in writing, and (2) authorized by the procurement officer.

18-15.903 Contracting officer responsibilities.

18-15.903-70 Contracting officer authority for negotiating architect-engineer fees.

It is NASA policy that if a contract involving architect-engineer services covers any services other than the production and delivery of designs, plans, drawings, and specifications, the part of the contract price for these other services is not subject to the 6 percent fee limitation set forth in FAR 15.903(d)(1).

18-15.904 Solicitation provision and contract clause.

Before contract award, the contracting officer shall ascertain whether the prospective contractor has claimed facilities capital cost of money as an allowable cost pursuant to the clause at FAR 52.215-30, Facilities Capital Cost of Money. If the offeror has not claimed the cost, the clause shall be deleted when the contract is executed. If it has claimed the cost, the clause at FAR 52.215-31, Waiver of Facilities Capital Cost of Money, shall be deleted. Including only one of these clauses in the contract will make it clear to the paying office whether or not the cost is allowable.

18-15.970 NASA structured approach for profit or fee objective.

(a) The factors in 18-15.970-1 through 18-15.970-3 shall be considered in all cases in which profit is to be specifically negotiated. The weight ranges listed after each factor on NASA Form 634, Structured Approach Profit/Fee Objective, shall be used whenever the structured approach is used.

(b) The contracting officer shall first measure Contractor Effort by assigning a profit percentage, within the designated weight ranges, to each element of contract cost recognized by the contracting officer. The amount calculated for the cost of money for facilities capital is not to be included in the computation of profit as part of the cost base.

(c) The suggested categories under Contractor Effort are for reference purposes only. Often individual proposals will be in a different format; but since these categories are broad and basic, they provide sufficient guidance to evaluate all other items of cost.

(d) After computing a total dollar profit for Contractor Effort, the contracting officer shall calculate the specific profit dollars assigned for cost risk, investment, performance, socioeconomic programs, inventive developmental contributions, and additional factors. This is accomplished by multiplying the total government cost objective, exclusive of any cost of money for facilities capital, by the specific weight assigned to the elements within the Other Factors category. NASA Form 634 should be used, as appropriate, to facilitate calculation of this profit objective (calculating Inventive and Developmental Contributions and Unusual Pricing Agreements and combining them under Special Situations).

(e) In making a judgment of the value of each factor, the contracting officer should be governed by the definition, description, and purpose of the factors and the with considerations for evaluating them as set forth in 18-15.970-1, -2, and -3.

(f) The structured approach was designed for arriving at profit or fee objectives for commercial organizations (FAR Subpart 31.2). However, if appropriate adjustments are made, the structured approach can be used as a basis for arriving at fee objectives for nonprofit organizations (FAR Subpart 31.7), excluding educational institutions (FAR Subpart 31.3). It is NASA policy not to pay profit or fee on contracts with educational institutions. Therefore, the structured approach, as modified in subparagraph (2) below, shall be used for nonprofit organizations. The modifications should not be applied as deductions against historical fee levels, but rather to the fee objective for commercial organizations as calculated under the structured approach.

(1) For purposes of this paragraph (f), nonprofit organizations are defined as those business entities that are (i) organized and operated exclusively for charitable, scientific, or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, and (ii) are exempt from Federal income taxation under Section 501 of the Internal Revenue Code.

(2) For contracts with nonprofit organizations under which fees are involved, an adjustment of up to 3 percent shall be subtracted from the total profit/fee objective. In developing this adjustment, it will be necessary to consider --

(i) Tax position benefits;

(ii) Granting of financing through letters of credit;

(iii) Facility requirements of the nonprofit organization; and

(iv) Other pertinent factors that may work to either the advantage or disadvantage of the contractor in its position as a nonprofit organization.

18-15.970-1 Common factors.

(a) **Contractor effort.** This factor is a measure of how much the contractor is expected to contribute to the overall effort necessary to meet the contract performance requirements efficiently. This factor, which is apart from the contractor's responsibility for contract performance, takes into account what resources are necessary and what the contractor must do to accomplish a conversion of ideas and materials into the final product called for in the contract. This is a recognition that within a given performance output, or within a given sales dollar figure, necessary efforts on the part of individual contractors can vary widely in both value and quantity, and that the profit objective should reflect the extent and nature of the contractor's contribution to total performance. A major consideration, particularly in experimental, developmental, or research work, is the difficulty or complexity of the work to be performed, and the unusual demands of the contract, such as whether the project involves a new approach unrelated to existing equipment or only refinements of existing equipment. Evaluation of this factor requires analyzing the cost content of the proposed contract as follows:

(1) ***Material acquisition (subcontracted items, purchased parts, and other material).***

(i) Analysis of these cost items shall include an evaluation of the managerial and technical effort necessary to obtain the required purchased parts, subcontracted items, and other materials, including special tooling. This evaluation shall include consideration of the number of orders and suppliers, and whether established sources are available or new sources must be developed. The contracting officer shall also determine whether the contractor will, for example, obtain the material and tooling by routine orders from readily available supplies (particularly those of substantial value in relation to the total contract cost), or by detailed subcontracts for which the prime contractor will be required to develop complex specifications involving creative design or close tolerance manufacturing requirements.

(ii) Consideration should be given to the managerial and technical efforts necessary for the prime contractor to administer subcontracts and select subcontractors, including efforts to break out subcontracts from sole sources through the introduction of competition. These determinations should be made for purchases of raw materials or basic commodities; purchases of processed material, including all types of components of standard or near-standard characteristics; and purchases of pieces, assemblies, subassemblies, special tooling, and other products special to the end item. In the application of the criterion, it should be recognized that the contractor's purchasing program might make a substantial contribution to the performance of the contract. This might be applicable in the management of subcontracting programs involving many sources, new complex components and instrumentation, incomplete specifications, and close surveillance by the prime contractor's representative.

(iii) Recognized costs proposed as direct material costs, such as scrap charges, shall be treated as material for profit evaluation. If intracompany transfers are accepted at price in accordance with FAR 31.205-26(e), they shall be evaluated as material. Other intracompany transfers shall be evaluated by individual components of cost, i.e., material, labor, and overhead.

(2) ***Direct labor (engineering, service, manufacturing, and other labor).***

(i) Analysis of the various items of the cost content of the contract should include evaluation of the comparative quality and level of the engineering talents, service contract labor, manufacturing skills, and experience to be employed. In evaluating engineering labor for the purpose of assigning profit dollars, consideration should be given to the amount of notable scientific talent or unusual or scarce engineering talent needed, in contrast to journeyman engineering effort or supporting personnel. The diversity, or lack of diversity, of scientific and engineering specialties required for contract performance, and the corresponding need for engineering supervision and coordination, should be evaluated. Such circumstances as whether the caliber or class of engineer involved is that of an "idea-man"--or whether the contractor is required by the contract to assign to the work, because of its nature, unusually skilled talent--should be considered as part of the evaluation.

(ii) Service contract labor should be evaluated in a like manner by assigning higher weights to engineering or professional skills and lower weights to semiprofessional or other skills required for contract performance.

(iii) Similarly, the variety of manufacturing and other categories of labor skills required and the contractor's manpower resources for meeting these requirements should be considered. For purposes of evaluation, categories of labor (i.e., quality control, receiving and inspecting, etc.) not falling within the definition for engineering, service, or manufacturing labor may be categorized appropriately. However, the same evaluation considerations as outlined above will be applied.

(3) *Overhead and general management (G&A).*

(i) Analysis of these overhead items of cost includes the evaluation of the makeup of these expenses and how much they contribute to contract performance. To the extent practicable, the analysis should include a determination of the amount of labor within these overhead pools and how this labor would be treated if it were considered direct labor under the contract. The allocable labor elements should be given the same profit consideration they would receive if they were treated as direct labor. The other elements of these overhead pools should be evaluated to determine whether they are routine expenses such as utilities and maintenance, and hence given lesser profit consideration, or are significant contributing elements. The composite of the individual determinations in relation to the elements of the overhead pools will be the profit consideration given the pools as a whole.

(ii) It is not necessary that the contractor's accounting system break down overhead expenses within the classification of engineering overhead, manufacturing overhead, other overhead pools, and general and administrative expenses (G&A), unless dictated otherwise by Cost Accounting Standards (CAS). The contractor whose accounting system reflects only one overhead rate on all direct labor need not change its system (if CAS-exempt) to correspond with the above classifications. The contracting officer, in an evaluation of such a contractor's overhead rate, could break out the applicable sections of the composite rate, which could be classified as engineering overhead, manufacturing overhead, other overhead pools, and G&A expenses, and follow the appropriate evaluation technique.

(iii) Management problems surface in various degrees, and the management expertise exercised to solve them should be considered as an element of profit. For example, a new program for an item on the cutting edge of the state of the art will cause more problems and require more managerial time and abilities of a higher order than will a follow-on contract. If new contracts create more problems and require a higher profit weight, follow-ons should be adjusted downward, since many of the problems should have been solved. In any event, an evaluation of the underlying managerial effort involved should be made on a case-by-case basis.

(iv) It may not be necessary for the contracting officer to make a separate profit evaluation of overhead expenses in connection with each procurement action for substantially the same product with the same contractor. If an analysis of the profit weight to be assigned to the overhead pool has been made, that weight assigned may be used for future procurements with the same contractor until there is a change in the cost composition of the overhead pool or the contract circumstances, or the factors discussed in subdivision (iii) above are involved.

(4) *Other costs.* Include all other direct costs associated with contractor performance under this item (e.g., travel and relocation, direct support, and consultants). Analysis of these items of cost should include (i) the significance of the costs to contract performance, (ii) their nature, and (iii) how much they contribute to contract performance.

(b) **Contract cost risk.** The degree of risk assumed by the contractor should influence the amount of profit or fee a contractor is entitled to anticipate. For example, if a portion of the risk has been shifted to the Government through cost-reimbursement or price-redetermination provisions, unusual contingency provisions, or other risk-reducing measures, the amount of profit or fee should be less than for arrangements under which the contractor assumes all the risk. In developing the prenegotiation profit objective, the contracting officer will need to consider the type of contract anticipated to be negotiated and the contractor risk associated with it when selecting the position in the weight range for profit appropriate for the risk to be borne by the contractor. This factor is one of the most important in arriving at prenegotiation profit objectives.

(1) Evaluation of this risk requires a determination of (i) the degree of cost responsibility the contractor assumes, (ii) the reliability of the cost estimates in relation to the task assumed, and (iii) the complexity of the task assumed by the contractor. This factor is specifically limited to the risk of contract costs. Thus, risks on the part of the contractor such as reputation, losing a commercial market, or losing potential profits in other fields, or any risk on the part of the contracting office such as the risk of not acquiring an effective space vehicle, are not within the scope of this factor.

(2) The first and basic determination of the degree of cost responsibility assumed by the contractor is related to the sharing of total risk of contract cost by the Government and the contractor through the selection of contract type. The extremes are a cost-plus-fixed-fee contract requiring the contractor to use its best efforts to perform a task and a firm fixed-price contract for a complex item. A cost-plus-fixed-fee contract reflects a minimum assumption of cost responsibility, while a firm-fixed-price contract reflects a complete assumption of cost responsibility. When the proper contract type has been selected, the regard for risk by contract type would usually fall within the 0-to-3-percent range for cost-reimbursement contracts and 3 to 7 percent for fixed-price contracts.

(3) The second determination is that of the reliability of the cost estimates. Sound price negotiation requires well-defined contract objectives and reliable cost estimates. Prior experience assists the contractor in preparing reliable cost estimates on new procurements for similar equipment. An excessive cost estimate reduces the possibility that the cost of performance will exceed the contract price, thereby reducing the contractor's assumption of contract cost risk.

(4) The third determination is that of the difficulty of the contractor's

task. The contractor's task can be difficult or easy, regardless of contract type.

(i) Within the ranges set forth in subparagraph (2) above, a cost-plus-fixed-fee contract normally would not justify a reward for risk in excess of 0 percent, unless the contract contains cost risk features such as ceilings on overheads, etc. In such cases, up to 0.5 percent may be justified. Cost-plus-incentive-fee contracts fill the remaining portion of the range, with weightings directly related to such factors as confidence in target cost, share ratio of fees, etc.

(ii) The range for fixed-price contracts is wide enough to accommodate the various types of fixed-price arrangements. These include fixed-price incentive, firm-fixed-price with economic price adjustment, fixed-price with prospective or retroactive price redetermination, and firm-fixed-price contracts. Weighting should be indicative of the price risk assumed and the end item required, with only firm-fixed-price contracts with requirements for prototypes or hardware reaching the top end of the range.

(iii) The contractor's subcontracting program may have a significant impact on the contractor's acceptance of risk under a contract form. It could cause risk to increase or decrease in terms of both cost and performance. This consideration should be a part of the contracting officer's overall evaluation in selecting a factor to apply for cost risk. It may be determined, for instance, that the prime contractor has effectively transferred real cost risk to a subcontractor, and the contract cost risk evaluation may, as a result, be below the range that would otherwise apply for the contract type proposed. The contract cost risk evaluation should not be lowered, however, merely on the basis that a substantial portion of the contract costs represents subcontracts without any substantial transfer of the contractor's risk.

(iv) In making a contract cost risk evaluation in a procurement action that involves definitization of a letter contract, unpriced change orders, or unpriced orders under BOAs, consideration should be given to the effect on total contract cost risk as a result of having partial performance before definitization. Under some circumstances it may be reasoned that the total amount of cost risk has been effectively reduced. Under other circumstances it may be apparent that the contractor's cost risk is substantially unchanged. To be equitable, determination of a profit weight for application to the total of all recognized costs, both incurred and yet to be expended, must be made with consideration of all attendant circumstances and should not just be based on the portion of costs incurred, or percentage of work completed, before definitization.

(v) Time-and-materials and labor-hour contracts shall be considered cost-plus-fixed-fee contracts for the purpose of establishing profit weights, unless otherwise exempt under 18-15.902, in evaluating the contractor's assumption of contract cost risk.

(c) **Investment.** NASA encourages its contractors to perform their contracts with a minimum of financial, facilities, or other assistance from the Government. As such, it is the purpose of this factor to encourage the contractor to acquire and use its own resources to the maximum extent possible. Evaluation of this factor should include an analysis of the following:

(1) *Facilities.*

(i) To evaluate how this factor contributes to the profit objective requires knowledge of the level of facilities utilization needed for contract performance, the source and financing of the required facilities, and the overall cost effectiveness of the facilities offered. Contractors furnishing their own facilities that significantly contribute to lower total contract costs should be provided additional profit. On the other hand, contractors that rely on the Government to provide or finance needed facilities should receive a corresponding reduction in profit. Cases between the above examples should be evaluated on their merits, with either a positive or negative adjustment, as appropriate, in the profit objective. However, where a highly facilitized contractor is to perform a contract that does not benefit from this facilitization, or when a contractor's use of its facilities has a minimum cost impact on the contract, profit need not be adjusted.

(2) ***Payments.*** In analyzing this factor, consideration should be given to the frequency of payments by the Government to the contractor. The key to this weighting is to give proper consideration to the impact the contract will have on the contractor's cash flow. Generally, negative consideration should be given for payments more frequent than monthly, with maximum reduction being given as the contractor's working capital approaches zero. Positive consideration should be given for payments less frequent than monthly, with additional consideration being given for a capital turnover rate on the contract that is less than the contractor's or the industry's normal capital turnover rate.

(d) **Contractor's performance.** The contractor's past and present performance should be evaluated in such areas as product quality, meeting performance schedules, efficiency in cost control (including the need for and reasonableness of costs incurred), accuracy and reliability of previous cost estimates, degree of cooperation by the contractor (both business and technical), timely processing of changes and compliance with other contractual provisions, and subcontract program management. If a contractor has consistently achieved excellent results in these areas in comparison with other contractors in similar circumstances, such performance merits a proportionately greater opportunity for profit or fee. Conversely, a poor record in this regard should be reflected in determining what constitutes a fair and reasonable profit or fee.

(e) **Federal socioeconomic programs.** This factor, which may apply to special circumstances or particular acquisitions, relates to the extent of the contractor's successful participation in Government-sponsored programs such as small business, small disadvantaged business, and labor surplus area programs and energy conservation efforts. Contractor policies and procedures which energetically supporting Government socioeconomic programs and achieving success should be given positive consideration. Conversely, failure or unwillingness on the part of the contractor to support Government socioeconomic programs should be viewed as evidence of poor performance for the purpose of establishing this part of the profit objective.

(f) **Inventive and developmental contributions.**

(1) The extent and nature of contractor-initiated and -financed independent development should be considered in developing the profit objective. The importance of the development in furthering space and aeronautical purposes, the demonstrable initiative in determining the need for and application of the development, the extent of the contractor's cost risk, and whether the development cost was recovered directly or indirectly from Government sources should be weighed.

(2) This factor need not be limited to situations that increase profit/fee levels. A negative consideration may be appropriate when the contractor is expected to obtain spin-off benefits as a direct result of the contract (e.g., products with commercial application).

18-15.970-2 Additional factors--unusual pricing agreements.

Occasionally, unusual contract pricing arrangements are made with the contractor under which it agrees to participate in the sharing of contract cost or agrees to accept a lower profit or fee for changes or modifications within a prescribed dollar value. In such circumstances, the contractor should receive favorable consideration in developing the profit objective.

18-15.970-3 Facilities capital cost of money.

When facilities capital cost of money (cost of capital committed to facilities) is included as an item of cost in the contractor's proposal, a reduction in the profit objective shall be made in an amount equal to the amount of facilities capital cost of money allowed in accordance with FAR 31.205-10(a) (see FAR 15.904 and 52.215-30 for related contract clause).

18-15.971 Payment of profit or fee under letter contracts.

It is NASA policy to pay profit or fee on definitized contracts only.

SUBPART 18-15.10
PREAWARD, AWARD, AND POSTAWARD NOTIFICATIONS, PROTESTS, AND MISTAKES

18-15.1003 Debriefing of unsuccessful offerors.

18-15.1003-1 Scope of Subpart.

This subpart sets forth NASA policy and procedures for debriefing unsuccessful offerors in all competitive negotiated procurements. (See also, paragraph 504 of 18-70.103, App. I, for debriefing procedures applicable to Announcements of Opportunity.)

18-15.1003-2 Policy.

(a) NASA shall debrief an unsuccessful competitor in accordance with FAR 15.1003. It is essential that debriefings be conducted in a scrupulously fair, objective, and impartial manner, and that the information given the proposer be absolutely factual and consistent with --

(1) The findings of the Source Evaluation Board (SEB) and the basis on which the Selection Official made the decision; or

(2) The findings of the technical and contracting officers and the basis on which the contracting officer made the decision if SEB procedures were not employed.

(b) Unless authorized by the Assistant Administrator for Procurement, the Source Selection Statement for alternative system design concepts under the Major System Acquisitions process is not to be released to competing offerors or the general public until the release of the Source Selection Statements for full-scale development.

18-15.1003-3 Designated Officials.

Debriefings are to be conducted by senior NASA officials. When the selection has been made by the Administrator, the Administrator will designate an official familiar with the rationale for the selection to conduct the debriefings, with participation by cognizant field installation personnel, if deemed necessary. When the selection has been made by the Field Installation Director or a Headquarters Staff or Program Office head, the Center Director or Official-in-Charge of the Headquarters office shall designate an official and necessary supporting staff to perform the debriefing. When SEB procedures were not applied, the installation Procurement Officer, or designee, shall perform the debriefing.

18-15.1003-4 Procedures.

(a) The recipient of a written or oral debriefing request shall immediately refer the request to the installation procurement officer.

(b) The procurement officer, upon receipt of a debriefing request, shall inform the designated official and other concerned officials at the installation and, in the case of procurement actions where an Associate Administrator or the Administrator was the Selection Official, the cognizant NASA Headquarters personnel.

(c) If an unsuccessful offeror in a negotiated procurement submits, prior to the award of the contract, a written request for a debriefing, such a debriefing will be provided at the earliest feasible time. This normally shall be after announcement of the selection decision and prior to award of the contract. ("Selection decision" means the final selection of the one successful contractor, or the contractors where more than one contract is to be awarded). If the selection decision involves more than one contractor pursuant to the Major System Acquisition process, the debriefing will be limited in such a manner that it does not prematurely disclose innovative concepts, designs, and approaches of the successful contractor(s) that would result in a transfusion of ideas which also could inhibit contractors during the early phase from offering their best and most promising ideas for meeting the mission need. However, when the exigency of the situation will not permit delaying the award in order to debrief unsuccessful offerors, such debriefings may be conducted after award.

(d) A summary of the results of each debriefing, signed by the conducting NASA official, shall be placed in the contract file.

PART 18-16

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PART 18-16
TYPES OF CONTRACTS

SUBPART 18-16.2
FIXED-PRICE CONTRACTS

18-16.202 Firm-fixed-price contracts.

18-16.202-70 NASA contract clause.

The contracting officer shall insert the clause at 18-52.216-78, Firm Fixed Price, in firm-fixed-price solicitations and contracts. Insert the appropriate amount in the resulting contract.

18-16.203 Fixed-price contracts with economic price adjustment.

18-16.203-4 Contract clauses.

(a) The contracting officer shall coordinate with the installation's Financial Management Officer before exceeding the ten-percent limit in paragraph (c)(1) of the clauses at FAR 52.216-2, -3, and -4.

(b) The contracting officer may modify the clause at FAR 52.216-4 for use in sealed-bid procurements.

(c) This paragraph (c) applies to adjustments based on cost indexes of labor or material.

(1) All price adjustment clauses using cost indexes require advance approval by the Assistant Administrator for Procurement. Requests for approval shall be submitted to the Office of Procurement, NASA Headquarters (Code HC).

(2) The factors in subdivisions (i) through (xiii) following should be considered in preparing any price adjustment clause in situations meeting the criteria of FAR 16.203-4(d):

(i) The clause should not be overly complex.

(ii) The clause normally should not provide either a ceiling or a floor for adjustment unless adjustment is based on an index below the four-digit level of the Bureau of Labor Statistics Producer Price Index or the Wage and Income Series by Standard Industrial Classification (Labor).

(iii) The clause normally should cover all potential economic fluctuations within the original contract period of performance.

(iv) (A) The clause must positively and accurately identify the index(es) upon which adjustments will be based and must provide an alternative in the event publication of the designated index is discontinued. The alternative might include the substitution of another index, if the time remaining would justify it and an appropriate index is reasonably available, or some other method for repricing the remaining portion of the work.

(B) There should normally be no need to make an adjustment if computation of the identified index is altered; however, provision may be made to adjust the economic fluctuation computations if the method of computing the index is so substantially altered as to negate the original intent of the parties. When an index to be used is subject to revision (e.g., the Bureau of Labor Statistics Producer Price Indexes), the price adjustment clause shall further specify that any adjustment shall be based upon the applicable revised index.

(v) An index should be structured to encompass a large sample of relevant items, yet bear a logical relationship to the type of contract costs measured. The basis of the index should not be so large and diverse that it is significantly affected by fluctuations not relevant to contract performance. But it must be broad enough to ensure that the effect created by any single company, including the anticipated contractors, is minimal.

(vi) Not more than two indexes normally should be used; i.e., one for labor (direct and indirect) and one for material (direct and indirect).

(vii) The clause must establish and properly identify a base period comparable to the contract periods for which adjustments are to be made, as a reference point for applying an index.

(viii) The clause should provide for adjustment from the beginning of the contract or for such period that the rate of expenditure is commensurate with the administrative cost and effort of adjusting, but it should not provide for adjustment beyond the original contract performance period.

(ix) The expenditure profile for both labor and material should be based on a predetermined rate of expenditure (expressed as the percentage of material or labor use as related to total contract price) in lieu of actual cost incurred. If the clause is to be used in a competitive procurement, the labor and material allocations, with regard to both mix and percentage rate of expenditure, shall be determined by the contracting officer in a manner approximating, as nearly as possible, the average-expenditure profile of all companies likely to make offers. If the clause is to be used in a non-competitive procurement, the labor and material allocations determined by the contracting officer may be subject to negotiation and agreement.

(x) (A) The clause should state the percentage of the contract price subject to adjustment. Normally, adjustments are not applied to the profit portion of the contract.

(B) Additionally, the labor and material portions of the contract must be examined to exclude areas not requiring adjustment. It may not be necessary, for example, to include all subcontracting, because some of the subcontracting could be for short periods during the early life of the contract. It may be possible to exclude certain areas of overhead from escalation protection; e.g., depreciation charges, prepaid insurance costs, rental costs, leases, certain taxes, and utility charges. Consideration also should be given to including economic-fluctuation protection covering that portion of labor for the period for which a definitive union agreement exists without additional factoring for such things as cost-of-living increases.

(C) Care should be taken to allocate to labor and material only those costs likely to be affected by fluctuations in the economy. That portion of the contract determined to be proper for economic-fluctuation protection shall then be allocated to specific periods (e.g., quarterly, semiannually) on the basis of the most probable expenditure or commitment (expenditure profile).

(xi) The clause should provide for definite times or positive events for price adjustments. Adjustments should be of a frequency affording the contractor appropriate economic relief without creating a burdensome administrative effort. The adjustment period should normally range from a minimum of quarterly to a maximum of annually.

(xii) When the contract contains cost incentives, any sums paid to the contractor because of economic price adjustments shall be subtracted from the total of the contractor's allowable cost for the purpose of establishing the total costs to which the cost incentives apply. If the incentive arrangement is cited in percentage ranges rather than dollar ranges above and below target costs, the economic price adjustment clause should be structured to maintain the original contract incentive range in dollars.

(xiii) The economic price adjustment clause should provide that once the labor and material allocations have been established, they remain fixed through the life of the contract and are not modified unless the contract is partially terminated. The clause should state that pricing actions pursuant to the Changes clause or other provisions of the contract will be priced as though there were no provision for economic price adjustment.

(d) Consistent with the factors in paragraph (c)(2) above, and to allocate risk properly, the contracting officer may provide for certain economic price adjustment arrangements between the prime contractor and subcontractors. In such circumstances, a requirement to incorporate price adjustment clauses in specified subcontracts should be included in the prime contract's price adjustment clause.

(e) When economic price adjustment clauses are included in contracts that do not require submission of cost or pricing data (see FAR 15.804-2 and -3), the contracting officer shall obtain adequate information to establish the baseline from which adjustments will be made. In addition, the contracting officer may require verification of this information to the extent necessary to permit reliance upon it as a reasonable baseline.

(f) The contracting officer shall insert the provision at 18-52.216-72, Evaluation of Offers Subject to Economic Price Adjustment, in all solicitations and contracts that contain an economic price adjustment clause.

18-16.207 Firm-fixed-price, level-of-effort term contracts.

18-16.207-70 NASA contract clause.

(a) The contracting officer shall insert a clause substantially as stated at 18-52.216-79, Level-of-Effort (Fixed-Price), in fixed-price term solicitations and contracts. Insert the minimum direct labor hours, the labor categories and associated direct labor hours, and a formula or dollar amount as the rate(s) at which the fixed price may be reduced if the minimum direct labor hours have not been provided. If it is in the Government's interest, the labor category information may be simplified (e.g., "engineering" or "drafting") for smaller, less complex procurements.

(b) For task ordering procedures for firm-fixed-price, level-of-effort term contracts, see 18-16.307-70(d) and (e).

SUBPART 18-16.3
COST-REIMBURSEMENT CONTRACTS

18-16.301 General.

18-16.301-3 Limitations.

(a) The determination and findings required by FAR 16.301-3 may be signed by the contracting officer for individual purchases and contracts. The format below shall be used as shown.

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION

DETERMINATION AND FINDINGS

Authority to Use a
____(a)____ Contract

Upon the basis of the following findings and determination, which I make under the authority of 10 U.S.C. 2306(c), the contract described below may be entered into on a ____(a)____ basis.

FINDINGS

1. The ____(b)____ proposes to enter into a ____(a)____ contract for the acquisition of ____(c)____. The cost of this work is estimated at $ ________ .
2. The work to be performed is ____(d)____ .

DETERMINATION

1. (This contract type is likely to be less costly than any other type.) (It is impractical to obtain supplies or services of the kind or quality required without the use of this contract type.) (e)
2. The estimated cost of the proposed contract is $ ___(f)___ .

Date: __________

NOTES--The contracting officer shall insert, where shown, the following information:

(a) Type of contract contemplated.
(b) Installation name.
(c) Brief description of supplies or services.
(d) Description of the nature of the proposed work and related specific facts that show why the contemplated contract type is the best alternative for this particular acquisition.
(e) The appropriate alternative or, when both apply, insert both connected by "and."
(f) Required only for cost-plus-fixed-fee contracts.

18-16.303 Cost-sharing contracts.

The following guidelines apply to research contracts resulting from unsolicited proposals, and to supplements to such contracts that require additional funding.

(a) **When cost sharing is applicable.**

(1) Except as provided in paragraph (b) below, cost sharing by non-Federal organizations is mandatory in any contract for basic or applied research resulting from an unsolicited proposal.

(2) Cost sharing by non-Federal organizations in any contract may be accepted when offered by a performing organization.

best copy available

(b) **When cost sharing is not applicable.**

(1) Cost sharing is not applicable to contracts for basic or applied research resulting from an unsolicited proposal when (i) the offeror certifies in writing to the contracting officer that it has no commercial, production, educational, or service activities on which to use the results of the research, and no means of recovering any cost sharing on such projects, and (ii) the contracting officer determines that cost sharing does not apply. In these situations, when there is no measurable potential gain to the performing organization, there is no mutuality of interest, and it would not be equitable for the Government to require cost sharing.

(2) (i) The activities of educational institutions under NASA sponsorship normally are of benefit only to NASA and would not justify cost sharing; i.e., NASA's normal policy of reimbursing universities fully for research performed on its behalf would apply. However, to establish on a case-by-case basis that there is no clear potential for significant future benefit or measurable gain, and that cost sharing does not apply, the contracting officer shall document the file with a determination substantively the same as that required by paragraph (1) above. The determination shall identify the information on which it is based. If the determination cannot reasonably be made from the available information, the contracting officer shall request the offeror to certify as in paragraph (1) above. Blanket procedures shall not be established for obtaining certifications from offerors for all cases on a routine basis.

(ii) Cost sharing by educational institutions may nevertheless be accepted when voluntarily offered, if the institution is aware of NASA's policy that the amount of cost sharing is not a factor in determining whether to support a given proposal.

(c) **Amount of cost sharing.**

(1) ***Educational institutions and affiliated not-for-profit institutions.***

(i) Cost sharing, if used for educational institutions and affiliated not-for-profit institutions, normally varies from one percent to as much as five percent of the project's cost.

(ii) NASA does not request inclusion of cost-sharing information in proposals from educational institutions. If cost sharing is determined applicable, a cost-sharing offer will be requested during negotiations.

(2) ***Other performing organizations.***

(i) Cost sharing for organizations other than those in paragraph (1) above may be any percentage of the research cost. Mutuality of interest in the results of the work being performed is of primary significance in assessing the appropriateness of any particular level of cost sharing.

(ii) Factors that should be considered in determining mutuality of interest include --

(A) The potential of the contractor to recover its contribution from non-Federal sources;

(B) The extent to which the particular area of research requires special stimulus in the national interest; and

(C) The extent to which a research effort or result is likely to enhance the contractor's capability, expertise, or competitive position.

(d) **Implementation.**

(1) ***Payment of fee or profit.*** No fee or profit may be paid to a cost-sharing contractor, and only an agreed

portion of allowable costs shall be reimbursed.

(2) ***Method of cost sharing.*** Cost sharing shall be accomplished by a contribution of part or all of one or more elements of the allowable cost of the work being performed. It normally shall be expressed as a stated minimum percentage of the total allowable costs of the project. Costs so contributed may not be charged to the Government under any other grant or contract (including allocation to other grants or contracts as part of an independent research and development program).

(3) ***Documentation.*** Contract files shall contain appropriate documentation of the reasons for cost sharing and support for the amount of cost sharing agreed upon. For educational institutions, the reasons for any cost sharing exceeding (i) five percent or (ii) the amount originally offered shall be documented.

18-16.307 Contract clauses.

(a) In solicitations and contracts containing the clause at FAR 52.216-8, Fixed Fee, or FAR 52.216-10, Incentive Fee, the Schedule shall include appropriate terms, if any, for provisional billing against fee.

(b) In subdivision (h)(2)(ii)(B) of the Allowable Cost and Payment clause at FAR 52.216-7, the period of years may be increased to correspond with any statutory period of limitation applicable to claims of third parties against the contractor; provided, that a corresponding increase is made in the period for retention of records required in paragraph (d) of the clause at FAR 52.215-1, Examination of Records by Comptroller General.

(c) In subdivision (g)(2)(ii) of the Allowable Cost and Payment--Facilities clause at FAR 52.216-13, the period of years may be increased to correspond with any statutory period of limitation applicable to claims of third parties against the contractor; provided, that a corresponding increase is made in the period for retention of records required in paragraph (d) of the clause at FAR 52.215-1, Examination of Records by Comptroller General.

18-16.307-70 NASA contract clauses.

(a) The contracting officer shall insert the clause at 18-52.216-73, Estimated Cost and Cost Sharing, in each contract in which costs are shared by the contractor pursuant to 18-16.303.

(b) The contracting officer may insert the clause at 18-52.216-74, Estimated Cost and Fixed Fee, in cost-plus-fixed-fee contracts. Modifications to the clause are authorized.

(c) The contracting officer may insert the clause at 18-52.216-75, Payment of Fixed Fee, in cost-plus-fixed fee contracts. Modifications to the clause are authorized.

(d) The contracting officer may insert a clause substantially as stated at 18-52.216-80, Task Ordering Procedure, for level-of-effort term solicitations and contracts where (1) the Government desires to control and direct the contractual effort through the issuance of task orders and (2) the statement of work is conducive to issuance of task orders by the Government. This clause is applicable to both fixed-price and cost type term contracts. The contracting officer may modify, where appropriate, the contractor's task plan submission period.

(e) The contracting officer shall use the clause at 18-52.216-80 with its Alternate I, which deletes the requirement for contractor task plans, if

(1) direction in the task order is sufficiently defined, (2) submission of a contractor task plan would serve no useful purpose in clarifying the work to be performed, (3) the task order authorizes commencement of work on a particular date, and (4) the contractor acknowledges in writing that it will proceed with work in accordance with the task order.

(f) The contracting officer shall insert the clause at 18-52.216-81, Estimated Cost, in cost no-fee contracts that are not cost sharing or facilities contracts. Insert the total estimated cost (value) of the contract.

(g) The contracting officer shall insert a clause substantially as stated at 18-52.216-82, Level-of-Effort (Cost), in cost-plus-fixed-fee term solicitations and contracts. Insert the minimum and maximum percentages of direct labor hours, the labor categories and associated direct labor hours, and total direct labor hours. If it is in the Government's interest, the labor category information may be simplified (e.g., "engineering" or "drafting") for smaller, less complex procurements.

(h) The contracting officer may insert a clause substantially as stated at 18-52.232-87, Submission of Vouchers for Payment, in cost-reimbursement solicitations and contracts. Insert the contract number and mailing addresses for submission of vouchers.

18-16.370 Forms.

Contractors shall use NASA Form 778, Contractor's Release; NASA Form 779, Assignee's Release; NASA Form 780, Contractor's Assignment of Refunds, Rebates, Credits, and Other Amounts; and NASA Form 781, Assignee's Assignment of Refunds, Rebates, Credits, and Other Amounts, to fulfill the assignment and release requirements of the clauses prescribed at FAR 16.307(a) and (g) (i.e., the clause at FAR 52.216-7, Allowable Cost and Payment, and 52.216-13, Allowable Cost and Payment--Facilities).

SUBPART 18-16.4
INCENTIVE CONTRACTS

18-16.403 Fixed-price incentive contracts.

The determination and findings required by FAR 16.403(c) may be signed by the contracting officer for individual purchases and contracts.

18-16.404 Cost-reimbursement incentive contracts.

18-16.404-2 Cost-plus-award-fee contracts.

To assure compliance with FAR 16.404-2(b)(2), all contract performance areas subject to evaluation on a judgmental basis, including performance areas such as cost and technical management, quality, timeliness, and productivity, shall be consolidated in a single award fee criteria and rating plan. The objective is a balanced evaluation of the contractor's overall performance, resulting in a single award fee determination consistent with NASA's management concerns and priorities in the particular situation.

18-16.405 Contract clauses.

18-16.405-70 NASA contract clauses.

(a) As authorized by FAR 16.405(e), the contracting officer shall insert the clause at 18-52.216-76, Award Fee, in solicitations and contracts when a cost-plus-award-fee contract is contemplated.

(b) The contracting officer may insert a clause substantially as stated at 18-52.216-83, Fixed Price Incentive, in fixed price incentive solicitations and contracts utilizing firm or successive targets. See FAR 52.216-16 and 52.216-17. Insert the appropriate amounts. For items to be subject to incentive price revision, identify the target cost, target profit, target price, and ceiling price for each item.

(c) The contracting officer shall insert the clause at 18-52.216-84, Estimated Cost and Incentive Fee, in cost-plus-incentive-fee solicitations and contracts. Insert the appropriate target cost and fee amounts.

(d) The contracting officer may insert a clause substantially as stated at 18-52.216-85, Estimated Cost and Award Fee, in cost-plus-award-fee solicitations and contracts. Insert the applicable cost and fee information for the particular procurement. If there is no base fee, delete the statements regarding base fee or specify $"0" (zero) base fee.

SUBPART 18-16.5
INDEFINITE-DELIVERY CONTRACTS

18-16.506 Ordering.

If the contracting office retains all contract administration functions, orders may be placed by written telecommunication.

SUBPART 18-16.6
TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

18-16.603 Letter contracts.

18-16.603-4 Contract clause.

18-16.603-470 NASA contract clause.

The contracting officer may insert a clause substantially as stated at 18-52.216-86, Settlement of Letter Contract, in contracts definitizing letter contracts. Insert the appropriate letter contract number, date, and modification numbers.

18-16.603-70 Information to include in a letter contract.

Although there is no set format for a letter contract, certain items must be addressed either in the letter portion of the letter contract or in an attachment to it. The following listing of items, not intended to be all-inclusive, applies to letter contracts:

(a) Contracting officer's signature.

(b) Provision for written acceptance by the contractor.

(c) Statement of work.

(d) Provision for delivery or performance schedule and place(s) of inspection and acceptance.

(e) Maximum dollar amount of Government liability and a statement that expenditure or obligation in excess of that amount shall be at the contractor's own risk.

(f) The target date for negotiation and execution of a definitive contract and a statement of the type of contract contemplated.

(g) A statement that no profit or fee shall be paid under the letter contract except as provided in the Termination clause (see 18-15.971).

18-16.603-71 Authority to approve the issuance of a letter contract.

(a) Letter contracts having an estimated definitive contract amount below the dollar thresholds specified in 18-7.7102.

(1) Authority to approve the issuance of such letter contracts is delegated to the procurement officers. The request for approval shall include the following:

(i) Proposed contractor's name and address.

(ii) Location where contract is to be performed.

(iii) Contract number, including modification number, if applicable.

(iv) Brief description of the work or services to be performed.

(v) Performance period or delivery schedule.

(vi) Amount of letter contract.

(vii) Performance period of letter contract.

(viii) Estimated total amount of definitive contract.

(ix) Type of definitive contract to be executed; e.g., fixed-price, cost-plus-award-fee.

(x) A statement that the definitive contract will contain all required clauses or that deviations have been approved.

(xi) A statement as to the necessity and advantage to the Government of the proposed letter contract.

(2) The procurement officer shall provide a copy of the approval to issue a letter contract, along with the documentation required in paragraph (1) above, to the Assistant Administrator for Procurement (Code HS) within 10 days of approval.

(3) The procurement officer shall notify the Assistant Administrator for Procurement (Code HS) of the date of definition and contract amount.

(b) **Letter contracts having an estimated definitive contract amount equal to or exceeding the dollar thresholds specified in 18-7.7102.**

(1) Requests for authority to issue such letter contracts shall be signed by the procurement officer and submitted to the Assistant Administrator for Procurement (Code HS). They shall include the information cited in subparagraph (a)(1) above.

(2) Any modification made, prior to definitization, to a letter contract approved by the Assistant Administrator for Procurement must be approved by the Assistant Administrator for Procurement. When a letter contract was approved by the procurement officer, any modification made to it before definitization that increases the estimated definitized contract amount to or above the dollar thresholds specified in 18-7.7102 must have the prior approval of the Assistant Administrator for Procurement.

(3) Promptly upon receipt of a request to issue a letter contract, the Assistant Administrator for Procurement shall obtain the concurrence or comments of cognizant officials in charge of Headquarters offices and then advise the procurement officer of the disposition of the request.

SUBPART 18-16.7
AGREEMENTS

18-16.703 Basic ordering agreements.

Orders under a basic ordering agreement may be issued on Optional Forms 347 and 348 or on an installation-prescribed form.

PART 18-17

SPECIAL CONTRACTING METHODS

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PART 18-17
SPECIAL CONTRACTING METHODS

SUBPART 18-17.1
MULTIYEAR CONTRACTING

18-17.102 Policy.

Multiyear contracting is generally not appropriate for use by NASA, because of the nature of NASA's appropriations and agency mission. Therefore, contracting officers may not issue a multiyear solicitation without first obtaining written approval from the Assistant Administrator for Procurement, NASA Headquarters, Code HS.

18-17.103 Procedures.

18-17.103-1 General.

Under 10 U.S.C. 2306(g), multiyear contracting with funds that would otherwise be available for obligation only within the fiscal year for which appropriated is permitted for periods of not more than five years for certain types of services. For these services, in addition to the approval required by 18-17.102 above, 10 U.S.C. 2306(g) and 2310 require a written determination and findings (a) by the Administrator for contracts exceeding three years and (b) by the contracting officer for individual contracts not exceeding three years.

SUBPART 18-17.2
OPTIONS

18-17.200 Scope of subpart.

The exceptions at FAR 17.200 do not apply to NASA contracts; therefore, the policy and procedures at FAR Subpart 17.2 apply to all contracts.

18-17.203 Solicitations.

The "authorized person" mentioned in FAR 17.203(g)(2) is hereby designated as being the Procurement Officer.

18-17.204 Contracts.

(a) The 5-year limitation (basic plus option periods) set forth in FAR 17.204(e) shall apply to all NASA contracts regardless of type. Deviations from this policy will not be granted unless (1) the extended years can be reasonably priced, and (2) a persuasive case (other than resources problems) can be made for exceeding five years. (Example: Some specific program event will occur at or near the end of the total contract period and a competition and potential change of contractor would be unacceptably disruptive or inefficient, or some other programmatic considerations dictate a longer period.)

(b) In addition to establishing either a fixed or maximum fee or a formula for determining the fixed or maximum fee, options under cost type contracts shall contain an estimated cost for the option period(s).

18-17.206 Evaluation.

For the purpose of FAR 17.206(b), the procurement officer at each center shall be the approval authority for determinations by the contracting officer not to evaluate offers for any option quantities or periods.

18-17.207 Exercise of options.

(a) Unless a determination has been approved under FAR 17.206(b), the selection statement for each procurement involving an option shall include the source selection official's consideration of the option as part of the initial competition.

(b) Use of the provision (or formula) specified in FAR 17.207(f)(2) requires advance approval by the Assistant Administrator for Procurement (Code HC).

(c) For the purposes of FAR 17.207(f)(3) --

(1) In subdivision (3)(i), the term "fixed fee" applies only to cost-plus-fixed-fee (CPFF) contracts and the term "maximum fee" applies to cost-plus-award-fee (CPAF) and cost-plus-incentive-fee (CPIF) contracts.

(2) When using a formula pursuant to subdivision (3)(ii), the formula shall be expressed in the contract in a way that precludes the contractor from increasing costs for the purpose of earning additional fee. Use of a formula requires advance approval of the Assistant Administrator for Procurement. (Code HC).

18-17.208 Solicitation provisions and contract clauses.

For the purpose of FAR 17.208(c)(3), cost reimbursement types of contracts are approved for agency use.

SUBPART 18-17.4
LEADER COMPANY CONTRACTING

18-17.401 General.

It is NASA policy not to use the leader company contracting technique.

SUBPART 18-17.5
INTERAGENCY ACQUISITIONS UNDER THE ECONOMY ACT

18-17.504 Ordering procedures.

(a) It is NASA's policy not to place Government agencies in direct competition with commercial sources. Before offers are solicited from commercial sources, the field installation's Director or a designee (see NMI 5101.24, Delegation of Authority to Take Actions in Procurement, Grants, Cooperative Agreements, and Related Matters) must determine whether to obtain the supplies or services from another Government agencies. Invitations for bids and requests for proposals shall not be sent to Government agencies. Current market prices, recent procurement prices, or prices obtained by informational submissions as provided in FAR 15.405 may be used to ascertain whether procurement can be effected more economically from commercial sources.

(b) An order for services shall not be placed with an agency when they can be performed as conveniently or more economically by private contractors.

(c) Delivery orders shall be placed on Optional Form 347 and 348 or an installation-prescribed form. However, when energy services are procured under DOD areawide utility contracts, the method of ordering prescribed in the appropriate DOD areawide contract will be used. The form may be modified to satisfy NASA fiscal and administrative requirements and to contain such additional contract provisions as may be contemplated or permitted by the DOD areawide contract, except that it shall not be modified for use as a public voucher in lieu of Standard Form 1034.

SUBPART 18-17.70 PROCUREMENT WITH MILITARY DEPARTMENTS

18-17.7000 Scope of subpart.

This subpart contains policies and procedures, developed jointly by NASA and DOD, for procurement of supplies or services by NASA from or through the Military Departments.

18-17.7001 Authorization and policy.

(a) NASA is authorized by the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) to (1) use the procurement services, personnel, equipment, and facilities of the Military Departments, with their consent and with or without reimbursement, and, on a similar basis, to (2) cooperate with the Military Departments in the use of procurement services, equipment, and facilities.

(b) The Military Departments have agreed to cooperate fully with NASA in making their procurement services, equipment, personnel, and facilities available on the basis of mutual agreement.

(c) The Military Departments have agreed not to claim reimbursement for administrative costs incident to procurements for NASA, except as may be otherwise agreed before the services are performed.

(d) When procuring supplies or services for NASA or performing field service functions in support of NASA contracts, the Military Departments have agreed to use their own methods, except when otherwise required by the terms of the agreement involved.

(e) The Military Departments normally will use their own funds when procuring supplies or services or performing services for NASA, and will not cite NASA funds on any Defense obligation or payment document.

18-17.7002 NASA-Defense Purchase Request and acceptance.

(a) The NASA-Defense Purchase Request (NASA Form 523) shall be used by NASA contracting offices for requesting procurement of supplies or services from all activities of the Military Departments. Individual NASA-Defense Purchase Requests shall be prepared in accordance with the instructions on the reverse of NASA Form 523 and shall be numbered in accordance with Subpart 18-4.71. The form shall not be used for requesting --

(1) Block transfers of excess property between NASA and the Military Departments;

(2) Performance by the Military Departments of field service functions related to NASA contracts; or

(3) Items that the Military Departments normally purchase and stock for military use or in-house services, except when a DOD activity is willing to accept the form for these purposes. Supplies and services of this nature may be requisitioned using appropriate DOD forms when they are provided by and are acceptable to or preferred by the Military Department supplying activity or as otherwise mutually agreed upon by the parties.

(b) To obtain materials from the Air Force Missile Procurement Fund, the contracting officer shall follow the procedures of 18-8.002-74.

18-17.7002-1 Acceptance by Military Department.

(a) Except as provided in paragraph (c) below, the Military Department concerned will, within 30 days after receipt of a NASA-Defense Purchase Request, forward to the initiator of the request an Acceptance of MIPR, DD Form 448-2, in quadruplicate. Each DD Form 448-2 will show the action being taken or to be taken to fill the requirement and the name and complete address of the DOD contracting activity.

(b) To the extent feasible, all documents (including acceptances, contracts, correspondence, shipping documents, work or project orders, and Standard Form 1080 (Voucher for Transfer between Appropriations and/or Funds) billings) will reference the NASA-Defense Purchase Request number and the item number.

(c) Acceptance by the Military Department is not required for NASA-Defense Purchase Requests covering deliveries of common-use standard-stock items that the supplying agency has on hand or on order for prompt delivery at published prices.

18-17.7002-2 Changes in estimated total prices.

When a Military Department determines that the estimated total price (Block 9, NASA Form 523) of the items to be acquired for NASA is not sufficient to cover the required reimbursement or is in excess of the amount required, a request for an amendment will be forwarded to the NASA originating office. The request will indicate a specific dollar amount, rather than a percentage, and will include justification for any upward adjustment requested. Upon approval of the request, the NASA contracting office concerned shall forward to the DOD contracting activity an amendment to the NASA Defense Purchase Request.

18-17.7002-3 Payments.

Except when agreements provide that reimbursement is not required, payments to the Military Departments for supplies and services furnished to or acquired for NASA shall be effected upon receipt of Standard Form 1080 billings by the NASA office designated in Block 11 of the NASA-Defense Purchase Request. Billings will be supported in the same manner as billings between Military Departments.

18-17.7002-4 Contract clause.

The contracting officer shall insert the clause at 18-52.217-70, Property Administration and Reporting, in any NASA-Defense Purchase Request when property will be involved.

SUBPART 18-17.71
EXCHANGE OR SALE OF PERSONAL PROPERTY

18-17.7101 Policy.

(a) Section 201(c) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 384, as amended (40 U.S.C. 481(c)), authorizes the exchange or sale of Government personal property and the application of the exchange allowance or proceeds from sale to the acquisition of similar property for replacement purposes.

(b) NASA installations and contractors are authorized to conduct exchange/sale transactions as long as the requirements and restrictions of NHB 4300.1 and the Federal Property Management Regulations, Subchapter H, paragraphs 101-46, are followed. In conducting such exchanges/sales, NASA contractors must obtain the contracting officer's prior written approval and must report the transactions to the cognizant NASA installation Property Disposal Officer (PDO).

PART 18-19

SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

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PART 18-19
SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

18-19.001 Definitions.

"Small Business Specialist" means the person who --

(1) Is appointed by the Head of each NASA installation having procurement responsibilities; and

(2) Is the central point of contact for all small business and labor surplus area matters. See 18-19.201(b) and (c) for a detailed description of this position. This person is synonymous with the Small and Disadvantaged Business Utilization Specialist (see FAR 19.201(d)).

SUBPART 18-19.1
SIZE STANDARDS

18-19.170 Contract clause.

The contracting officer shall insert the provision at 18-52.219-72, Standard Industrial Classification (SIC) Code and Small Business Size Standard, in all solicitations. Insert the applicable SIC code and small business size information (either the number of employees, or the dollar value in average annual receipts for the last three (3) fiscal years for the particular procurement).

SUBPART 18-19.2
POLICIES

18-19.201 General policy.

(a) **NASA Headquarters.** The Director of Small and Disadvantaged Business Utilization (Code K) is responsible for (1) the general supervision and coordination of the NASA Small Business Program; (2) developing the policy and procedures for implementing the NASA Small Business Program, Minority Business Program, Women Owned Business Program, and Labor Surplus Area Program; (3) advising the Administrator and other NASA officials on these matters; and (4) representing NASA before other Government agencies and industry on matters related to the programs listed in (2) above.

(b) **Installations.** The Head of each installation having procurement responsibilities shall designate a qualified individual in the contracting office as a Small Business Specialist to provide a central point of contact to which small business concerns may direct inquiries concerning small business matters and participation in the NASA procurement program. The Small Business Specialist shall also perform other functions specifically set forth in this section 18-19.201 or that the Procurement Officer may prescribe for implementing the Small Business Program, including responsibility for the Labor Surplus Area Program described in FAR Part 20. When the Head of an installation considers that the volume of procurement or the functions relating to procurement at the installation do not warrant a full-time Small Business Specialist, these duties may be assigned to procurement personnel on a part-time basis.

(c) **Small Business Specialists.** Small Business Specialists appointed under paragraph (b) above shall perform the following duties, as the Procurement Officer determines appropriate to the installation:

(1) Maintain a program designed to locate capable small business sources for current and future procurements.

(2) Coordinate inquiries and requests for advice from small business concerns on procurement matters.

(3) Before issuance of solicitations or contract modifications for additional supplies or services, determine that small business concerns will receive adequate consideration, including initiation of set-asides (see FAR Subpart 19.5).

(4) If small business concerns cannot be given an opportunity to compete because adequate specifications or drawings are not available, initiate action (unless there are sufficient and valid reasons to the contrary), in writing, with appropriate technical and contracting personnel to ensure that necessary specifications or drawings for current or future procurements will be available.

(5) Review procurement programs for possible breakout of items suitable for procurement from small business concerns.

(6) Advise small business concerns regarding financial assistance available under laws and regulations, assist such concerns in applying for it, and ensure that small business concerns' requests for financial assistance are not treated as a handicap in securing the award of contracts.

(7) Participate in responsibility determinations (see FAR 9.103) whenever small business concerns are involved.

(8) Participate in the evaluation of prime contractors' small business subcontracting programs (see FAR 19.705-4).

(9) Review and make appropriate recommendations to the contracting officer on any proposal to furnish Government-owned facilities to a

contractor if such action may hurt the Small Business Program.

(10) Ensure that participation of small business concerns is accurately reported.

(11) Notify the Procurement Officer of possible contracting opportunities in labor surplus areas.

(12) Make available to SBA copies of solicitations when requested.

(13) Act as liaison between contracting officers and SBA field offices and representatives in connection with set-asides, certificates of competency, and any other matters in which the Small Business Program may be involved. Procurements in which certificates of competency are requested shall be reported in writing to the Director, Small and Disadvantaged Business Utilization, NASA Headquarters, (Code K). The report should describe the requirement, list the offerors, and give the contract prices specified in the offers as submitted and the reason for the proposed rejection of an otherwise acceptable small business offer. Pertinent dates, such as the required date for the completion of the procurement and the date of the request for the certificate of competency, should also be furnished.

(14) In cooperation with contracting officers and technical personnel, seek and develop information on the technical competence of small business concerns for research and development contracts. Regularly bring to the attention of contracting officers and technical personnel descriptive data, brochures, and other information regarding small business concerns that are apparently competent to perform research and development work in fields in which NASA is interested.

(15) When a small business concern's offer has been rejected for nonresponsiveness or nonresponsibility, aid, counsel, and assist that concern, upon its request, in understanding requirements for responsiveness and responsibility so that the concern can qualify for future awards.

18-19.202 Specific policies.

18-19.202-4 Solicitation.

The contracting officer shall include in the solicitation mailing list the names of firms submitted by SBA, unless there is a valid reason for not so doing.

SUBPART 18-19.3 DETERMINATION OF STATUS AS A SMALL BUSINESS CONCERN

18-19.302 Protesting a small business representation.

The contracting officer shall not make awards of small business set-aside procurements before (a) 5 working days after bid opening for sealed-bid acquisitions or (b) the deadline for submitting a protest that was included in the notification to apparently unsuccessful offerors. (See FAR 19.302(h)(1).)

SUBPART 18-19.4
COOPERATION WITH THE SMALL BUSINESS ADMINISTRATION

18-19.401 General.

Contracting officers shall consult and cooperate with SBA to carry out the purposes of the Small Business Act.

SUBPART 18-19.5
SET-ASIDES FOR SMALL BUSINESS

18-19.501 General.

(a) The Small Business Specialist (1) may make a set-aside recommendation with respect to any individual or class set-aside except those on which an SBA representative has made a recommendation; (2) is responsible for reviewing those procurements not set aside; and (3) is responsible for taking action in accordance with FAR 19.506(b).

18-19.502 Setting aside acquisitions.

18-19.502-3 Partial set-asides.

(a) (1) Contracting officers shall require offers obtained from firms eligible for the set-aside portion of the requirement under the clause at FAR 52.219-7, Notice of Partial Small Business Set-Aside, to be in writing and to include agreement (i) on the price for the available set-aside quantity, (ii) on the delivery schedule, (iii) that all other terms and conditions of the solicitation apply to the set-aside award, and (iv) to include the clauses at FAR 52.215-1, Examination of Records by the Comptroller General, and FAR 52.215-2, Audit--Negotiation.

(2) When the non-set-aside portion has been awarded to a small business concern entitled to receive the set-aside portion, the set-aside portion may be added to the basic contract by supplemental agreement. The supplemental agreement shall (i) refer to the contractor's offer on the set-aside quantity, (ii) state the price and delivery schedule applicable to the set-aside quantity, and (iii) include the clauses at FAR 15.215-1 and 15.215-2. The contracting officer shall attach to the supplemental agreement copies of all pertinent documents, including the signed offer. The contracting officer shall also sign the supplemental agreement, but the contractor need not, since the contractor's signature on the attached offer is sufficient.

(3) When the non-set-aside portion has been awarded to a firm other than the concern entitled to receive the set-aside portion, the contracting officer shall award the set-aside portion using Standard Form 26. The offers obtained and the award form used shall reference and include the same data required by subparagraphs (1) and (2) above. Also, the award shall reference in Block 18 of SF 26 the applicable solicitation and the contractor's written offer. The contracting officer shall attach copies of the solicitation and offer and shall sign the SF 26, but the contractor need not, since the contractor's signature on the attached offer is sufficient.

(b) The contracting officer shall separately report awards of the non-set-aside portions of small business set-aside procurements (see Subpart 18-4.6).

18-19.503 Setting aside a class of acquisitions.

The contracting officer shall retain a copy of each class set-aside determination.

18-19.505 Rejecting set-aside recommendations.

(a) The Small Business Specialist may make a set-aside recommendation (see 18-19.501(b)) with respect to any individual or class set-aside except those on which an SBA representative has made a recommendation.

(b) If the Small Business Specialist recommends that an individual procurement or a class of procurements, or a portion thereof, be set aside, the contracting officer shall promptly either concur in or disapprove the recommendation, stating in writing the reasons for disapproval.

(c) If the contracting officer disapproves the Small Business Specialist's recommendation, the contracting officer shall promptly refer the case to the SBA representative (if one is assigned and available) for review. The Small Business Specialist shall take no further appeal action. If an SBA representative is not assigned or available, resolution of disagreements on set-asides between the Small Business Specialist and the contracting officer shall be accomplished in accordance with the procedures in paragraph (f) below.

(d) All cases involving the non-initiation of a set-aside, whether resulting from (i) a joint decision of the Small Business Specialist and the contracting officer or (ii) a determination by the contracting officer alone, require referral to the SBA representative (if one is assigned and available) for review. The SBA representative must either concur with the decision or determination or appeal the case under FAR 19.505.

(e) When an SBA representative is not assigned or available and the contracting officer disagrees with the Small Business Specialist's recommendation on a small business set-aside for an individual procurement or a class of procurements, or a portion thereof, and so notifies the Small Business specialist in writing, or if the Small Business Specialist disagrees with the contracting officer regarding withdrawal or modification of a set-aside determination, the Small Business Specialist may appeal in writing to the Procurement Officer (see 18-19.201(b)) for a decision, which shall be final. The contracting officer shall place a memorandum of the Procurement Officer's decision by the in the contract file. If the decision approves the contracting officer's action, the Small Business Specialist shall forward complete documentation of the case to the Director of Small and Disadvantaged Business Utilization, NASA Headquarters, Code K.

(f) The contracting officer shall prepare, sign, and retain in the contract file a memorandum of any withdrawal or modification or of nonconcurrence in a recommended set-aside action.

SUBPART 18-19.6
CERTIFICATES OF COMPETENCY AND DETERMINATIONS OF ELIGIBILITY

18-19.601 General.

On proposed awards exceeding the small purchase limitation, the contracting officer shall request a preaward survey (see FAR 9.106) before determining that a responsive small business firm is not responsible.

18-19.602 Procedures.

18-19.602-1 Referral.

The contracting officer shall forward a copy of the communication referring the matter to SBA through the Procurement Officer to the Director, Small and Disadvantaged Business Utilization, NASA Headquarters, (Code K).

18-19.602-3 Resolving differences between the agency and the Small Business Administration.

(a) When there is a disagreement between the contracting officer and SBA, the contracting officer shall forward to the Assistant Administrator for Procurement (Code H) through channels, on an expedited basis, a complete case file with a request that the case be considered for appeal to SBA Headquarters. The contracting officer shall include the data already furnished to SBA, SBA's rationale for proposing to issue a certificate of competency, and the contracting officer's comments. The contracting officer shall suspend procurement action until informed by the Assistant Administrator for Procurement of the final decision in the case.

(b) If the Assistant Administrator for Procurement concludes that the referral to SBA should be withdrawn and a contract awarded without benefit of a certificate of competency, the Assistant Administrator for Procurement shall inform the contracting officer and provide written instructions on how to proceed with the procurement.

(c) If the Assistant Administrator for Procurement agrees with the contracting officer's recommended appeal action, the contracting officer shall request SBA's Central Office to review the SBA Regional office's proposal to issue a certificate of competency.

18-19.602-70 Reports on certificates of competency.

Small Business Specialists shall inform the Director of Small and Disadvantaged Business Utilization, NASA Headquarters (Code K), quarterly in writing, of all certificate of competency cases initiated during the quarter and of the final disposition made on cases during the quarter, including the number and dollar value of certificates of competency issued during the period. The Small Business Specialist shall include the company name, item being procured, solicitation number, dollar value of the procurement, and date the case was submitted to SBA. In addition, the Small Business Specialist shall provide advice and data for all cases where (a) the small business concern elects not to file an application for a certificate of competency, (b) SBA declines to issue a certificate of competency, or (c) the contracting activity reverses the pre-award survey activity's negative finding on responsibility, withdraws the referral to SBA, and makes the award.

SUBPART 18-19.7
SUBCONTRACTING WITH SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

18-19.707 The Small Business Administration's role in carrying out the program.

Under the provisions of FAR 19.707(a)(2) and (3), 5 days are allotted for SBA review of solicitations and contracts subject to the subcontracting program. In the absence of SBA request for the documents, the contracting officer may elect not to seek review.

18-19.708 Solicitation provisions and contract clauses.

18-19.708-70 NASA solicitation provision.

The contracting officer shall insert the provision at 18-52.219-73, Small Business and Small Disadvantaged Business Subcontracting Plan, in solicitations containing the clause at FAR 52.219-9. Insert in the last sentence the number of calendar days after request that the offeror must submit a complete plan. When offerors are to include subcontracting plans in their initial offer as contemplated by FAR 19.705-2(d), or if a noncompetitive solicitation will be issued, the contracting officer may use the provision with its Alternate I.

SUBPART 18-19.8
CONTRACTING WITH THE SMALL BUSINESS ADMINISTRATION (THE 8(a) PROGRAM)

18-19.801 General.

SBA will contract only with small business firms that have submitted a written business plan specifically outlining a reasonable approach to the attainment of the policy objectives of the 8(a) program. This business plan, if approved by SBA, is the basis for NASA's considering participation in an 8(a) program for the firm. In executing this policy, SBA will furnish to the Director, Small and Disadvantaged Business Utilization, NASA Headquarters (Code K), or to the Procurement Officer of the pertinent NASA installation, its request for a commitment to support the approved plan. SBA requests addressed to NASA Headquarters will be coordinated with appropriate installations.

18-19.803 Selecting acquisitions for the 8(a) program.

(a) SBA makes two separate requests to NASA regarding an 8(a) firm's participation (see FAR 19.803(b) and (c)). The first, based on the firm's 8(a) business plan (see 18-19.801), seeks NASA's general commitment to contract with that firm. If NASA commits itself to support the plan, SBA then makes specific requests to NASA for individual 8(a) awards.

(b) The SBA request for a commitment indicates the extent to which procurement assistance is needed and identifies the requirements sought from NASA. Through liaison with appropriate contracting offices, either before or after SBA's approval of a firm's business plan, SBA representatives will identify the supplies or services that SBA may require in connection with that firm's business plan. Small Business Specialists at NASA installations shall cooperate and assist the SBA representatives in developing identifying information for the requirements being sought from the contracting office. The Small Business Specialist shall, when practicable and feasible, arrange for any additional assistance that may be required from procurement, technical, and supply management officials. Current and future requirements of a firm's business plan, if identified in meaningful terms, enable NASA to relate the items to present and future procurement requirements.

(c) SBA is responsible for providing the contracting officer written certification of SBA's competency to perform the contract.

18-19.804 Agency evaluation of the Small Business Administration's request for a commitment.

(a) In addition to considering specific requests for commitments to support business plans submitted by SBA under FAR 19.803(b), the Small Business Specialist (1) shall review and evaluate on a continuing basis all procurement requirements to determine their suitability for referral to SBA for 8(a) consideration and (2) make a recommendation to the contracting officer concerning award to SBA. If the contracting officer disagrees with the recommendation, FAR 19.505 applies.

(b) (1) After SBA-requested commitments have been evaluated or a specific procurement has been designated as suitable for 8(a) contracting, the cognizant contracting officer shall notify SBA and the Director of Small and Disadvantaged Business Utilization, NASA Headquarters (Code K), including in the notification the extent to which an 8(a) contract may be placed with SBA and the time frame within which the prime and subcontract actions must be completed to satisfy NASA's requirements. This notification is a firm commitment by NASA to negotiate with SBA, provided there is no material change in requirements, availability of funds, or other pertinent factors.

(2) Within 10 working days after notification, SBA shall contact the installation and initiate contract negotiations. If negotiations with the installation contracting office have not been initiated by SBA within that time, the Procurement Officer shall notify the Director of Small and Disadvantaged Business Utilization of intent to proceed with the procurement without further regard to 8(a) procedures, unless SBA requests additional time and it can be granted, considering the urgency of the requirement.

18-19.808 Preaward considerations.

(a) The NASA contracting officer generally shall not request a preaward survey (see FAR 9.106) of SBA's subcontractor. SBA or the NASA contracting officer may, however, request a cognizant contract administration office to assist in a review of a specific element pertaining to the SBA subcontractor's responsibility.

(b) After agreement with SBA on satisfactory terms and conditions, including an estimated current fair market price, and receipt of SBA's reimbursable order for any business development expense (if appropriate), the contracting officer shall proceed to award a contract to SBA.

(c) SBA is required to initiate individual requests to NASA for each follow-on-year proposed 8(a) contract in support of the SBA-requested commitment. This process will permit NASA to verify, before actual negotiation of follow-on 8(a) awards, the availability of requirements, funding, and other pertinent factors.

18-19.809 Preparing the contracts.

18-19.809-1 General.

The contracting officer shall accomplish internal NASA distribution of both the prime contract and the subcontract and provide SBA a duplicate original copy of the executed prime contract and any additional authenticated, conformed, or reproduced copies SBA requests. The SBA will provide the contracting officer two duplicate original copies of the executed subcontract and any additional authenticated, conformed, or reproduced copies the contracting officer requests for internal NASA distribution.

PART 18-22

APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

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PART 18-22
APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

SUBPART 18-22.1
BASIC LABOR POLICIES

18-22.101 Labor relations.

18-22.101-1 General.

(a) NASA contracting officers, in taking any of the actions prescribed or authorized in FAR Part 22 or this Part 18-22, shall consult with and get advice from the labor relations advisor or other NASA official assigned the labor relations function at the installation concerned.

(b) NASA officials shall not take any action regarding labor matters involving major policy determinations having a substantial impact on the activities of NASA or other Government agencies without the prior approval of the Director, Industrial Relations Office (Code NR). A full report concerning any labor relations problem, particularly where a labor dispute significantly threatens to affect important NASA procurements, shall be furnished to Code NR in accordance with 18-22.101-3.

(c) When a strike that may have an adverse effect on NASA programs is imminent or in progress at a prime contractor's or subcontractor's plant, contracting officers shall --

(1) Advise both the prime contractor and the head of the union local in writing of the expected impact of the strike on NASA programs and, if appropriate, of the actions NASA is considering to protect the Government's interest and prevent delay in the accomplishment of NASA's mission. If the strike is in a subcontractor's plant, the subcontractor may be approached only through the prime contractor;

(2) Explore the possibility of locating other sources for the supplies or services to have been provided by the strike-threatened plant; and

(3) Consider taking the actions set forth at FAR 22.101-4.

18-22.101-3 Reporting labor disputes.

Reports of actual or incipient labor-management disputes affecting NASA procurements, operations, or services shall be submitted as specified by the Director, Industrial Relations Office. These reports shall be made as early as possible and shall include immediately available information. Supplemental reports shall be made, as appropriate, to provide full information and cover new developments. Reports shall be sent by the most expeditious means required by the seriousness of the situation. When an immediate critical effect on NASA procurements is probable, the initial report shall be made by telephone and followed by an electronically transmitted written message or a confirming letter. Reports shall describe, but need not be limited to --

(a) The nature of the actual or incipient dispute, including whether a strike, lockout, slow-down, shut-down, or picketing is involved and the degree of emergency presented;

(b) The character, quantity, and importance of the supplies, operations, or services involved, including scheduled performance and delivery dates and the relation of the production involved to the total procurement program;

(c) The identity and location of the parties to the dispute and their representatives, including the approximate number of employees involved;

(d) The need for and availability of alternative facilities to furnish the items involved within the time required;

(e) Any critical items that should be removed from the plant or work site or should continue to be processed there with the consent of the parties to the dispute; and

(f) Recommended action to be taken by NASA.

18-22.101-4 Removal of items from contractors' facilities affected by work stoppages.

When the contracting officer determines that it would be in the Government's best interest to remove items or to arrange for shipment of urgently required items as provided in FAR 22.101-4(a)(2), the contracting officer shall first request approval from Code NR and then take such action as is approved.

18-22.101-70 Inspection of material during labor disputes.

Despite the existence of a labor dispute, inspection functions at contract plants or sites shall be performed as normally required during contract performance, unless the inspector's safety may be endangered.

18-22.101-71 Admission of labor representatives to contract sites.

NASA activities may not prevent the access of labor union representatives to contract sites for the conduct of union business if their activities are compatible with safety and security regulations and performance of the contract work involved.

18-22.102 Federal and State labor requirements.

18-22.102-70 Suspension or relaxation of State labor standards.

(a) NASA officials shall not initiate applications to State agencies or officials for the suspension or relaxation of State labor standards.

(b) When suspension or relaxation of State labor standards does not conflict with Federal labor laws, contracting officers may support applications of contractors or subcontractors if --

(1) The required products or services are in short supply and failure to meet production schedules for critically needed end items will result unless the standards are suspended or relaxed;
(2) No alternative sources of supply for such products or services are available within the required delivery schedule;
(3) Remedial action (such as recruitment, training, and more effective utilization of labor) is not practicable; and
(4) The granting of the application will not result in impairment of working conditions to the extent that productivity at the facility will be adversely affected.

(c) NASA letters of support will be addressed to the appropriate State agency and will indicate --

(1) The facilities and services affected; and --
(2) The extent of suspension or relaxation of the particular State labor standard required to complete the

specific work in conformity with the delivery schedule.

18-22.103 Overtime.

18-22.103-4 Approvals.

The Procurement Officer or designees are authorized to approve overtime premiums at Government expense. If two or more contracting offices have current contracts at a single facility and approval of overtime by one will affect the performance or cost of contracts of another, the approving official shall obtain the concurrence of other appropriate approving officials and seek agreement as to the contracts under which premiums will be approved. If the approving officials do not agree within a reasonable time, a decision shall be obtained through the center's normal management channels. Ordinarily, in the absence of evidence to the contrary, a contracting office may rely on the contractor's statement that approval will not affect performance or payments under any contract of another contracting office. Designations to approve overtime shall be in writing and shall not be delegated under the first level of supervision below the Procurement Officer, except that delegation may be made to the head of a procurement function at geographically remote branch facilities (e.g., Wallops Flight Facility or Dryden Flight Research Facility) without power of redelegation.

SUBPART 18-22.3
CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

18-22.302 Liquidated damages and overtime pay.

Disposal of funds withheld or collected for liquidated damages shall be in accordance with direction of the Director, Industrial Relations Office (Code NR), who is the agency head's designee relative to liquidated damages under the Contract Work Hours and Safety Standards Act.

SUBPART 18-22.4
LABOR STANDARDS FOR CONTRACTS INVOLVING CONSTRUCTION

18-22.403-4 Department of Labor regulations.

For industrial relations actions requiring communication with the Department of Labor, National Headquarters, Washington, DC (including the Administrator, Wage and Hour Division), contracting officers shall provide the appropriate information and supporting documentation to the Industrial Relations Office (Code NR), which shall make all contacts with the Department of Labor on these matters.

18-22.404-3 Procedures for requesting wage determinations.

Contracting officers shall submit requests for project wage determinations to Code NR at least 55 days (70 days if possible) before issuing the solicitation.

18-22.406-2 Wages, fringe benefits, and overtime.

In implementing FAR 22.406-2(b)(2), the contracting officer shall provide information to the Director, Industrial Relations Office (Code NR), who shall submit the question of cash equivalents to the Department of Labor for final determination.

18-22.406-8 Investigations.

The contracting officer is responsible for conducting investigations, as provided by FAR 22.406-8(a), of labor violations relative to contracts under his/her cognizance. The agency head's designee for receiving and processing contracting officer reports of violations is the Director, Industrial Relations Office (Code NR), who, with the concurrence of the Associate General Counsel for Contracts, shall forward reports of violations to the Attorney General in accordance with FAR 22.406-8(d)(2)(iv).

18-22.406-9 Withholding from or suspension of contract payments.

Disposal of funds withheld or collected for liquidated damages under the Davis-Bacon Act shall be in accordance with direction of the Director, Industrial Relations Office (Code NR).

18-22.406-11 Contract terminations.

Contracting officers shall forward reports of contract or subcontract terminations for violation of labor standards clauses to the Director, Industrial Relations Office (Code NR), who shall submit the reports in accordance with FAR 22.406-11.

18-22.406-13 Semiannual enforcement reports.

Procurement Officers shall submit semiannual enforcement data within 20 days after the end of the reporting period specified in FAR 22.406-13 to the Office of Procurement (Attn: Code HP) for consolidation and submission to the Department of Labor. Negative statements are required. The Procurement Policy Division (Code HP) is the point of contact regarding data to be included in the submissions.

SUBPART 18-22.6
WALSH-HEALEY PUBLIC CONTRACTS ACT

18-22.604 Exemptions.

18-22.604-2 Regulatory exemptions.

Applications for exemptions from one or more of the Act's stipulations under FAR 22.604-2(c)(1) shall be submitted in writing through the contracting officer, with pertinent data and recommendations to the Director, Industrial Relations Office (Code NR).

18-22.608-4 Award pending final determination.

The Procurement Officer shall approve, with the concurrence of the Director, Industrial Relations Office (Code NR), certifications for immediate award in accordance with FAR 22.608-4(b). The contracting officer shall give written notice of the decision to award through Code NR to the DOL.

SUBPART 18-22.8
EQUAL EMPLOYMENT OPPORTUNITY

18-22.804 Affirmative action programs.

18-22.804-2 Construction.

In compliance with FAR 22.804-2 (b), the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) listing of covered geographical areas, "Goals for Minority Participation in the Construction Industry," will be made available by the Headquarters Procurement Policy Division (Code HP).

18-22.805 Procedures.

18-22.805-70 Pre-award clearances for contracts between the small purchase limitation and $1,000,000.

In determining the prospective contractor's eligibility for award of a contract in an estimated or actual amount between the small purchase limitation and $1,000,000, if the contracting officer learns or has reason to believe (see, for instance, the solicitation provision at FAR 52.222-21) that the prospective contractor is in violation of the Equal Opportunity clause, or has not developed an acceptable affirmative action program at each of its establishments, award may be made only after ascertaining that the prospective contractor is no longer in noncompliance and is, therefore, eligible for award. The contracting officer shall request any clearance from the OFCCP at least 30 days before the proposed award date. Award may also be made, notwithstanding the prospective contractor's failure to have developed an acceptable affirmative action program, if the contracting officer determines that the contract is for less than $50,000 or that the company has fewer than 50 employees and, in either case, has not previously been required to develop an affirmative action program.

18-22.807 Exemptions.

To request an exemption under FAR 22.807(a)(1), the contracting officer shall prepare a detailed justification for the required determination and shall submit the justification through the Assistant Administrator for Procurement (via Code HP) to the Administrator.

18-22.870 Reports and other required information.

(a) Title 41, Section 60-1.2 of the Code of Federal Regulations prescribes the annual filing of required forms by prime contractors and subcontractors.

(b) If the offeror fails to complete the representation at FAR 52.222-22, it should state, prior to award of the contract, whether it has participated in any previous contract or subcontract subject to the Equal Opportunity clause; and, if so, whether it has filed with the Joint Reporting Committee, the Director, OFCCP, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements.

(c) In any case in which the offeror or a proposed subcontractor has participated in a previous contract or subcontract subject to Executive Order 10925, 11114, or 11246 but has not filed a report due under the filing requirements, the contract or subcontract shall not be awarded unless the offeror or the proposed subcontractor submits a report covering the delinquent period or such other period as may be specified by the Director, OFCCP, and notifies the contracting officer of the submission.

(d) An offeror or a proposed subcontractor shall be required to submit information, including copies of affirmative action programs, that the Director, OFCCP, requests before the award of the contract or subcontract. When a determination has been made to award the contract or subcontract to a specific contractor or subcontractor, it shall be required, before or after the award, or both, to furnish the information, including copies of affirmative action programs, as the Director, OFCCP, requests.

(e) Failure to file timely, complete, and accurate reports as required constitutes noncompliance with the prime contractor's or subcontractor's obligations under the Equal Opportunity clause and may be the basis for (1) the imposition by the Director, OFCCP, of any sanctions authorized by these regulations or (2) cancellation or termination of the subcontract by a prime contractor or subcontractor. Any such failure shall be reported in writing to the Director, OFCCP, by the contracting officer as soon as practicable after it occurs.

(f) Reports filed and information furnished in accordance with FAR Subpart 22.8 shall be used only for the administration of Executive Order 11246, for the administration of the Civil Rights Act of 1964, or in furtherance of the purpose of the Executive Order and Act and, to the extent consistent with this purpose, shall be held in confidence as privileged information in accordance with 32 CFR 286.6(b)(4) when requested by the offeror, contractor, or subcontractor.

SUBPART 18-22.10
SERVICE CONTRACT ACT OF 1965

[Reserved for NASA procedural instructions. See FAR Subpart 22.10.]

SUBPART 18-22.11 PROFESSIONAL EMPLOYEE COMPENSATION

18-22.1103 Policy, procedures, and solicitation provisions.

(a) The instructions in paragraph (a) of the provision at FAR 52.222-46, Evaluation of Compensation for Professional Employees, shall be augmented in Section M of the solicitation with an explanation of how the Government will evaluate the offeror's plan. The Government's assessment of the plan shall be a weighted and scored evaluation criterion under a Mission Suitability Factor in order to ensure that the plan reflects a sound management approach and understanding of the contract requirements. This criterion shall be accorded sufficient weight and relative order of importance to be effective under the particular circumstances involved. When (1) a significant number of professional employees are involved, the performance period is long, and the cost is relatively large, or (2) there is continuity of the same or similar services at the same location, the weight and relative importance of the criterion shall be in the "most important" or "very important" category, as considered appropriate. The lesser weighting should be employed only after careful consideration of the possible impact on labor stability.

(b) The cost realism of professional compensation proposed (see paragraph (c) of the provision at FAR 52.222-46) shall be identified as an evaluation factor in Section M of the solicitation.

SUBPART 18-22.13
SPECIAL DISABLED AND VIETNAM ERA VETERANS

18-22.1306 Complaint procedures.

The Assistant Administrator for Equal Opportunity Programs (Code U) is the NASA official designated to act on complaints received about administration of the Vietnam Era Veterans Readjustment Assistance Act of 1972.

SUBPART 18-22.70 NONDISCRIMINATION-- GOVERNMENT LEASE

18-22.7001 Policy.

It is NASA policy to include a Facilities Nondiscrimination clause in leases when NASA is the lessee. The policy has been adopted because Federal employees belonging to minority groups and other members of minority groups doing business with the Government in some parts of the country have been denied the use of public facilities located in buildings where the Government leases office space.

18-22.7002 NASA contract clauses.

(a) The contracting officer shall include the clause at 18-52.222-70, Facilities Nondiscrimination Notice, in all solicitations involving leases and in any resulting leases.

(b) The contracting officer shall include the clause at 18-52.222-71, Facilities Nondiscrimination, in all solicitations involving leases and in any resulting leases under which the annual rental, combined with that of any other NASA leases of space in the same building, exceeds $10,000.

PART 18-23

ENVIRONMENT, CONSERVATION, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

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PART 18-23
ENVIRONMENT, CONSERVATION, OCCUPATIONAL SAFETY, AND DRUG-FREE WORKPLACE

SUBPART 18-23.1
POLLUTION CONTROL AND CLEAN AIR AND WATER

18-23.106 Delaying award.

All notifications initiated by the contracting officer under FAR 23.106 shall be submitted to EPA through the Procurement Officer and the Assistant Administrator for Procurement, NASA Headquarters (Code HS).

18-23.107 Compliance responsibilities.

Notifications under FAR 23.107 shall be submitted through the same channels as under 18-23.106.

SUBPART 18-23.3
HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA

18-23.302 General.

As authorized under FAR 23.302(c)(3), NASA has designated electro-sensitive initiating devices (squibs) a "potentially hazardous" item requiring safety controls.

18-23.303 Contract clause.

18-23.303-70 NASA clause.

The contracting officer shall insert the clause at 18-52.223-72, Potentially Hazardous Items, in solicitations and contracts involving potentially hazardous items or components. Insert the potentially hazardous items or components.

18-23.370 Acquisition of potentially hazardous items from or through another Government agency.

When acquiring supplies or services from or through another Government agency (e.g., see FAR Part 8 and FAR Subpart 17.5), NASA shall request that agency to furnish NASA the data required by FAR Subpart 23.3 and the clause at FAR 52.223-3.

SUBPART 18-23.70
SAFETY AND HEALTH

18-23.7000 Scope of subpart.

This subpart sets forth NASA's safety and health policy, assignment of responsibilities, and requirements relating to its contractors.

18-23.7001 Policy.

Contractors and subcontractors shall perform in a safety-and-health-conscious environment that, within the limits of controllable hazards, will --

(a) Protect the life, health, and physical well-being of NASA and contractor employees during their work on NASA programs;

(b) Ensure proper protection of the public from hazards incident to operations of NASA contractors and subcontractors;

(c) Avoid accidental work interruptions that could delay NASA programs;

(d) Prevent contamination of, damage to, and loss of property, supplies, and equipment;

(e) Provide data from which risks and loss factors in space technology related to NASA programs can be accumulated and evaluated; and

(f) Comply with applicable regulations, standards, and guides.

18-23.7002 Responsibility.

(a) **Originators of procurement requests.** In accordance with installation safety and health screening criteria, originators of procurement requests shall ensure that requests involving safety or health considerations are processed through the appropriate installation safety officials and occupational health officials or other designated responsible officials for (1) determining whether hazards are involved in the procurement, (2) formulating or selecting specific safety and health provisions applicable to the procurement in accordance with FAR Subpart 23.3 and applicable NASA instructions, and (3) determining to what extent a contractor safety and health plan will be required.

(b) **Installation safety officials, occupational health officials, or other designated responsible officials.** The appropriate installation safety and health officials, within their respective areas of responsibility, shall advise and assist the contracting officer in--

(1) Evaluating prospective contractors' safety and health programs;

(2) Determining to what extent safety and health provisions, if any, should be included in the proposed procurement;

(3) Assigning the specific safety and environmental health provisions to be included in the contract Schedule;

(4) Determining, in coordination with the cognizant program or project manager, the need for and adequacy of contractors' safety and health plans;

(5) Assigning the specific occupational medicine provisions to be included in the contract Schedule;

(6) Determining the extent and form of accident or incident reports required of contractors in compliance with the Federal Reports Act of 1942 and NASA reporting requirements;

(7) Requesting inspections of NASA contractors by representatives of the Occupational Safety and Health Administration (OSHA) when appropriate; and

(8) Reviewing contractor hazardous operations procedures and certification requirements.

(c) **Headquarters occupational health official.** At installations where medical and environmental health officers or other designated responsible officials are not available to assist with the formulation of occupational medicine and environmental health provisions of a contract, the Director, NASA Occupational Health Office, NASA Headquarters (Code NPG), shall assume this responsibility.

(d) **Contracting officer.**

(1) The contracting officer shall obtain advice, assistance, recommendations, and applicable requirements from the appropriate safety and health officials before issuing any solicitation for --

(i) Construction, modification, or demolition of facilities on Government installations;

(ii) Manufacture of aerospace systems, including such items as power units, energy systems, boosters, engines, liquid and solid fuels, oxidizers, and propellants;

(iii) Transportation of fuels, oxidizers, hazardous chemicals, or other hazardous or regulated materials;

(iv) Research, development, or test of engines, related components and propellants involving hazardous operations or the use of hazardous or regulated materials;

(v) Services on Government installations involving hazardous operations or the use of hazardous or regulated materials;

(vi) Operations involving the use of or exposure to potential health hazards (e.g., asbestos, polychlorinated biphenyls (PCB's)), confined space entries, use of hazardous materials, or potential contamination of property or pollution of air, water, vegetation, or soil;

(vii) Activities that may (by either direct or secondary effect) adversely affect the work environment by the use of ionizing radiation, microwaves, noise, lasers, ultraviolet, or infrared sources; or

(viii) Operations necessitating exposures in neutral buoyancy or hyperbaric chambers and operations related to them.

(2) Before issuing a stop-work order under subparagraph (d)(2) of the Safety and Health clause at 18-52.223-70, the contracting officer shall effect coordination with the appropriate safety and health officials and with the cognizant program or project manager.

18-23.7003 Hazardous operations.

Hazardous operations are those involving the use of, or handling of, hazardous materials or other materials, phenomena, or elements at abnormal environmental or physical parameters that could result in injury, illness, or property damage if special precautions are not followed (e.g., high-pressure gas operations in excess of 150 pounds per square inch gauge, low-pressure high-volume gas operations, voltages above 550 volts, storage or handling of propellants or explosives, use of "heavy lift" material handling equipment, high- or low-temperature environments, environments with less than 19.5 percent or more than 25 percent oxygen by volume at normal atmospheric pressure, reduced gravity, radiation, or excessive noise).

18-23.7004 Contract clause.

(a) Specific system safety requirements to be included in the contract for the purpose of procuring system safety engineering services shall be defined in the contract Schedule in accordance with applicable NASA instructions.

(b) Any unique facility safety or health requirements that are in addition to the general requirements of the clause at 18-52.223-70, Safety and Health, shall be prescribed as required by 18-23.7002(b)(3).

(c) Except as provided in paragraph (d) below, the clause at 18-52.223-70 shall be included in--

(1) All negotiated contracts of $1,000,000 or more, unless the contracting officer makes a written determination in accordance with 18-23.7002(b)(2) that, under the circumstances of the procurement, the clause is not necessary;

(2) All construction, repair, or alteration contracts in excess of $25,000;

(3) All contracts having, within their total requirement, construction, repair, or alteration tasks in excess of $25,000; and

(4) Any procurement regardless of dollar amount when (i) any deliverable contract end item is of a hazardous nature, or (ii) during the life of the contract it can reasonably be expected that hazards will be generated within the operational environment and the contracting officer determines that they warrant inclusion of the clause.

(d) The clause prescribed in paragraph (c) above may be excluded from any contract subject to the Walsh-Healey Public Contracts Act (see FAR Subpart 22.6) or the Service Contract Act of 1965 (see FAR Subpart 22.10) in which the application of the act and its implementing regulations constitute adequate safety and health protection. However, the clause should not be excluded without approval of the appropriate safety and health official.

(e) The contracting officer shall insert the provision at 18-52.223-73, Safety and Health Plan, in solicitations containing the clause at 18-52.223-70, when a Safety and Health Plan is to be submitted with the offeror's proposal. This clause may be modified to identify specific information that is to be included in the plan. The contracting officer shall include the plan, as approved by the contracting officer, in any resulting contract. See 18-52.223-70.

(f) When the installation safety/health officials recommend that a Safety and Health Plan be submitted by the apparently successful offeror after notification of selection but before contract award, the clause at 18-52.223-73 shall be used with its Alternate I.

SUBPART 18-23.71
FREQUENCY AUTHORIZATION

18-23.7101 Contract clause.

The contracting officer shall insert the clause at 18-52.223-71, Frequency Authorization, in solicitations and contracts calling for developing, producing, constructing, testing, or operating a device for which a radio frequency authorization is required.

18-23.7102 Procedures.

The contracting officer shall obtain the necessary frequency authorization and other procedural details from the installation's spectrum manager.

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PROTECTION OF PRIVACY AND FREEDOM OF INFORMATION

SUBPART 18-24.1
PROTECTION OF INDIVIDUAL PRIVACY

18-24.102 General.

For NASA rules and regulations implementing the Privacy Act, see NMI 1382.17 (14 CFR 1212).

SUBPART 18-24.2
FREEDOM OF INFORMATION ACT

18-24.202 Policy.

(a) NASA implementation of the Freedom of Information Act is found in NMI 1382.2 (14 CFR 1206).

(b) When receiving any Freedom of Information Act request from the public, the contracting officer shall immediately refer the request to the Freedom of Information Act Officer, NASA Information Center, or other responsible point of contact as set forth in installation procedures.

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PART 18-25
FOREIGN ACQUISITION

SUBPART 18-25.1
BUY AMERICAN ACT--SUPPLIES

18-25.101 Definitions.

"Canadian end product" means (a) an unmanufactured end product mined or produced in Canada or (b) an end product manufactured in Canada, if the cost of its components mined, produced, or manufactured in Canada or the United States exceeds 50 percent of the cost of all its components. The cost of components includes transportation costs to the place of incorporation into the end product.

18-25.102 Policy.

(a) Administrator determinations under FAR 25.102(a)(3), domestic preference inconsistent with the public interest.

(1) Within NASA, these determinations are made by the Assistant Administrator for Procurement.

(2) For blanket determinations regarding Canadian end products, see 18-25.103.

(b) Contracting officer determinations under FAR 25.102(a)(4), domestic nonavailability of end products.

(1) NASA has determined that the items listed in FAR 25.108(d)(1) are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality. In addition, subject to the approval requirements of FAR 25.102(b), NASA contracting officers may make additional determinations of nonavailability both before entering into contracts and in the course of contract administration; provided, however, that in the latter case the Government receives adequate consideration. A copy of each nonavailability determination shall be included in the contract file.

(2) The following is the format for nonavailability determinations made by contracting officers:

Determination of Nonavailability

Pursuant to the authority contained in the Buy American Act (41 U.S.C. 10) and authority delegated to me by 48 CFR 18-25.102(b), I hereby make the following findings:

a. (Insert a description of the item or items to be procured, including unit, quantity, and estimated cost inclusive of duty and transportation costs to destination.)

b. (Enter the name and address of the proposed contractor or supplier and the country of origin of the items.)

c. (Include a brief statement of the necessity for the procurement.)

d. (Include a statement of facts establishing the nonavailability of similar items of domestic origin. If there is no known domestic item that can be used as a reasonable substitute, make a statement to this effect.)

On the basis of these findings, I determine that the item(s) described in paragraph a above is/are not mined, produced, or manufactured (or the articles, materials, or supplies from which the item(s) is/are manufactured are not mined, produced, or manufactured) in the United States in sufficient and reasonably available quantities of a satisfactory quality.

Accordingly, the Buy American Act requirement that procurement be made from domestic sources and that the item(s) be of domestic origin is not applicable to this procurement, since the procurement is within the Buy American Act's nonavailability exception.

Authority is granted to procure the above-described item(s) of foreign origin (country or origin) at an estimated total cost of $ ____ , including duty and transportation costs to destination.

(Date) __________

Contracting Officer __________

(3) Contracting officer determinations made under this paragraph 18-25.102(b) shall be approved by the head of the contracting activity if the contract is estimated to exceed $1,000,000.

18-25.103 Agreements with certain foreign governments.

(a) **Canadian end products and Canadian components.** The Assistant Administrator for Procurement has determined that when application of the procedure in paragraph (c)(1) below results in the acquisition of Canadian end products, it would be inconsistent with the public interest to acquire domestic end products (see FAR 25.102(a)(3)).

(b) The Assistant Administrator for Procurement has also determined that it would be inconsistent with the public interest to apply restrictions of the Buy American Act to components mined, produced, or manufactured in Canada (see paragraph (c)(2) below).

(c) Accordingly, contracting officers shall --

(1) Evaluate all offers for Canadian end products on a parity with offers for domestic end products, except that applicable duty (whether or not a duty-free entry certificate may be issued) shall be included in evaluating offers for Canadian end products; and

(2) Treat all components mined, produced, or manufactured in Canada as though they were mined, produced, or manufactured in the United States, except that, in evaluating offers for such components, applicable duty (whether or not a duty-free entry certificate may be issued) shall be included.

18-25.105 Evaluating offers.

(a) Examples. The following examples illustrate how to evaluate offers of foreign (non-Canadian) end items, using the provisions of FAR 25.105.

(1) ***Example 1:*** Price differential of 6 percent or less between low foreign (non-Canadian) and low domestic offer from a large business not in a labor surplus area. See Table 18-25-1. Since the low domestic offer is not unreasonable (that is, the low domestic offer is less than the low foreign offer plus 6 percent), award shall be made to the low domestic offeror.

(2) ***Example 2:*** Price differential of 6 percent between low foreign (non-Canadian) and low domestic offer from an offeror that is not a small business and/or labor surplus area concern. See Table 18-25-2.

(3) ***Example 3:*** Solicitation permits multiple awards, and FAR 25.105(c)

permits application of the evaluation procedure in 25.105(a) on a group or item-by-item basis. Each domestic offeror is a small business or labor surplus area concern, requiring that the lowest acceptable foreign offer be increased by 12 percent. When an award exceeding $250,000 would be made to a domestic concern if the 12-percent factor were applied, but not if the 6-percent factor were applied, FAR 25.105(c) requires that the award be submitted to the agency head for decision as to whether award to the domestic concern would involve unreasonable cost. In NASA, the Administrator has delegated this authority to the Assistant Administrator for Procurement. See Table 18-25-3.

(i) For items 1 and 3, award would be made to the low acceptable domestic offeror, but would not be submitted to the Assistant Administrator for Procurement because --

(A) The low acceptable domestic offeror is a small business and/or labor surplus area concern;

(B) The differential does not exceed 12 percent on an item-by-item basis; and

(C) The total low acceptable domestic offer does not exceed $250,000.

(ii) For items 2 and 4, award would be made to the low acceptable foreign offeror, but would not be submitted to the Assistant Administrator for Procurement because --

(A) The low acceptable domestic offeror is a small business or labor surplus area concern;

(B) The differential exceeds 12 percent on an item-by-item basis; and

(C) The low acceptable domestic offer does not exceed $250,000.

(4) *Example 4:* Solicitation permits multiple awards, and FAR 25.105(b) permits application of the evaluation procedure in 25.105(a) on a group or item-by-item basis. Each domestic offeror is a small business or labor surplus area concern, requiring that the lowest acceptable foreign offer be increased by 12 percent. When an award exceeding $250,000 would be made to a domestic concern if the 12-percent factor were applied, but not if the 6-percent factor were applied, FAR 25.105(c) required that the award be submitted to the agency head for decision as to whether award to the domestic concern would involve unreasonable cost. In NASA, the Administrator has delegated this authority to the Assistant Administrator for Procurement. See Table 18-25-4. (Note that both offers include transportation to destination and the foreign offer includes duty.)

(i) For the grouping of items 1, 2, 3, and 4, the proposed total would be submitted to the Assistant Administrator for Procurement for decision pursuant to FAR 25.105(c), which requires the agency head to decide whether award to a domestic concern would involve unreasonable cost when --

(A) The low acceptable domestic offeror on each line item is a small business or labor surplus area concern and the low acceptable foreign offer for each line item must be increased for evaluation purposes by 12 percent (see FAR 25.105(a)(2));

(B) On an item-by-item basis, the low acceptable domestic price exceeds the low acceptable foreign price plus 6 percent, but is less than the foreign price plus 12 percent; or

(C) The grouping of the four line items for purposes of a single award exceeds $250,000.

(ii) Table 18-25-5 illustrates the pertinent figures in applying FAR 25.105(c). Columns 3 and 4 illustrate how award on each item would go to the domestic offeror if the 12-percent factor were added to the foreign offer. Addition of the 12-percent factor makes the foreign offer unreasonable. However, addition of only the 6-percent factor to the foreign offer makes the domestic offer unreasonable in each case because, even with the addition of the 6 percent, the foreign offer is still lower than the domestic one. Stated otherwise, because the low acceptable domestic offeror is a small business or labor surplus area firm, the price of the low acceptable foreign offeror must be raised by 12 percent for evaluation purposes. Accordingly, each evaluated price of items 1, 2, 3, and 4 exceeds the domestic price for that item. However, in each case, if only the 6-percent factor is added instead of the 12-percent factor, the individual awards would go to the foreign offeror instead of the domestic offeror, thus requiring the procurement to be submitted to the Assistant Administrator for Procurement for a final decision as to whether award to the domestic concern would involve unreasonable cost.

(b) **Tie bids.** If the evaluation procedure (that is, application of differentials) set forth at FAR 25.105 results in a tie between the foreign offer and the domestic offer, award shall be made to the domestic offeror.

BUY AMERICAN ACT--SUPPLIES

TABLE 18-25-1

	Low Bids	
	Domestic	Foreign
Cost to Destination	$20,000	$19,000
Import Duty		600
Total	$20,000	$19,600
Six Percent Differential		1,176
Total	$20,000	$20,776

TABLE 18-25-2

	Low Bids	
	Domestic	Foreign
Cost to Destination	$20,000	$17,000
Import Duty		500
Total	$20,000	$17,500
Six Percent Differential		1,050
Total	$20,000	$18,550

TABLE 18-25-3

	Low Bids			Actual Percent Difference Between
	Foreign	Domestic		
Item		A	B	Bids
1.	$50,000	$55,500	....	11%
2.	50,000	......	$56,500	13%
3.	75,000	81,750	....	9%
4.	12,000	......	16,250	30%

TABLE 18-25-4

	Low Bids		Actual Percent Difference Between Bids
	Foreign	Domestic	
Item			
1.	$100,000	$111,000	11%
2.	200,000	220,000	10%
3.	50,000	55,000	10%
4.	25,000	27,000	8%

TABLE 18-25-5

Item	1 Foreign Bid	2 Foreign Bid Plus 6%	3 Domestic Bid	4 Foreign Bid Plus 12%	5 Actual Percentage Difference of Domestic Bid Over Foreign Bid
1.	$100,000	$106,000	$111,000	$112,000	11%
2.	200,000	212,000	220,000	224,000	10%
3.	50,000	53,000	55,000	56,000	10%
4.	25,000	26,500	27,000	28,000	8%
	$375,000		$413,000		

SUBPART 18-25.2
BUY AMERICAN ACT--CONSTRUCTION MATERIALS

18-25.202 Policy.

(a) **Exception for unreasonable cost of domestic construction materials.** The Assistant Administrator for Procurement has determined that when the application of the procedure set forth in 18-25.203 results in the acquisition of foreign construction materials, the use of domestic construction materials would unreasonably increase the cost.

(b) **Exception for impracticability of using domestic construction materials.** The Assistant Administrator for Procurement has determined that, when there is a justification as required by FAR 25.203(b), the use of domestic construction material would be impracticable.

(c) **Exception for nonavailability of domestic construction materials.**

(1) NASA has determined that construction materials listed in FAR 25.108(d)(1) are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.

(2) In addition, subject to the approval of the head of the contracting activity where required (see FAR 25.202(b)), NASA contracting officers may make additional determinations of nonavailability under FAR 25.202(a)(3) both before entering into contracts and in the course of contract administration; provided, however, that in the latter case the Government receives adequate consideration. A copy of each nonavailability determination shall be included in the contract file. The format for these nonavailability determinations is at 18-25.102(b).

18-25.203 Evaluating offers.

When an offer involving the use of additional foreign construction materials (other than those listed as exceptions in the solicitation; see 18-25.202(c) and 18-52.225-71) would be the low acceptable offer but for the Buy American Act, award shall be made on it, provided that all the following conditions are satisfied:

(a) The offer specifically designates the foreign construction materials proposed for use.

(b) As to each such foreign construction material, the data accompanying the offer show that the cost of any available acceptable domestic construction material delivered at the construction site would exceed by more than 6 percent the cost (including duty) of the designated foreign construction material delivered at the construction site.

(c) As to each such foreign construction material, the contracting officer is satisfied that the showing of a cost differential of more than 6 percent as required by paragraph (b) above is correct as of the date of opening of the bids or receipt of proposals.

(d) The offer is low after adding to it, for evaluation purposes, a factor of 6 percent of the cost (including duty) of all offered foreign construction materials (delivered at the construction site) that qualify under the conditions stated in paragraphs (a), (b), and (c), above.

18-25.205 Solicitation provision and contract clause.

18-25.205-70 NASA contract clause.

The clause at 18-52.225-71, Nondomestic Construction Materials, shall be included in all contracts for construction. Any articles of materials and supplies that have been the subject of additional determinations under 18-25.202(c)(2) shall be listed in the clause.

SUBPART 18-25.3
BALANCE OF PAYMENTS PROGRAM

18-25.304 Excess and near-excess foreign currencies.

The NASA Comptroller shall make the determination of the feasibility of using excess or near-excess currency required by FAR 25.304(c). The Director of Financial Management (Code BF) maintains a current list of excess and near-excess currency-countries and arranges for its publication in the NASA Travel Regulations.

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SUBPART 18-25.4 PURCHASES UNDER THE TRADE AGREEMENTS ACT OF 1979

18-25.402 Policy.

The threshold for procurements subject to the Trade Agreements Act of 1979 is $156,000.

18-25.402-70 Centralization of foreign acquisition.

The requirement of Subpart 18-25.70 that the responsibility for foreign contract acquisition be centralized at NASA Headquarters does not apply to acquisitions subject to the Trade Agreements Act of 1979. However, each contracting office (including JPL) shall coordinate with Headquarters, International Relations Division (Code XI), before awarding a contract for a designated-country end product.

18-25.403 Exceptions.

18-25.403-70 Coordination of arms purchases.

With respect to the exceptions in FAR 25.403(d), if a contracting officer considers an individual acquisition to be a purchase "indispensable for national security or for national defense purposes" and appropriate for exclusion from the provisions of FAR 25.4 and of this Subpart 18-25.4, the contracting officer shall submit a request with supporting rationale to Headquarters, Office of External Relations (Code X), for coordination with the Office of the U.S. Trade Representative.

18-25.405 Procedures.

Solicitations shall require that applicable duty charges be included in the offered price, whether or not duty-free certificates are obtained. Duty charges shall be included in the price evaluation.

18-25.407 Solicitation provision and contract clause.

18-25.407-70 NASA solicitation provision.

In accordance with FAR 25.405(d), the contracting officer shall insert the provision at 18-52.225-72, Offer in English Language and U.S. Dollars, in solicitations subject to the Trade Agreements Act of 1979.

SUBPART 18-25.6
CUSTOMS AND DUTIES

18-25.604 Exempted supplies.

The contracting officer shall, when purchasing items listed in Schedule 8 of the Tariff Schedules of the United States, take note of the following:

(a) Item 832 of Schedule 8 provides that "emergency war materials purchased abroad" may be imported duty-free upon certification by the Military Departments to the Commissioner of Customs. Accordingly, when a Military Department makes a purchase on behalf of NASA, or when NASA makes a purchase for a Military Department, the contracting officer shall use this duty-free exemption authority to the maximum extent practicable.

(b) Item 864.30 of Schedule 8 provides for the duty-free exemption of "articles intended solely for testing, experimental, or review purposes including plans, specifications, drawings, photographs, and similar articles for use in connection with experimental study," subject to the limitations in Headnote 1 under Item 862.20 of Schedule 8.

(c) Certain supplies (not including equipment) for vessels or aircraft operated by the United States are exempt from duty under 19 U.S.C. 1309.

(d) Under the Educational, Scientific, and Cultural Materials Importation Act of 1966, NASA has been determined eligible to request duty-free entry for instruments or apparatus under Items 851.60 and 851.65 of Schedule 8. Pursuant to this authority, the contracting officer may apply for duty-free entry of such instruments or apparatus or related repair components if no instrument or apparatus of equivalent scientific value for the purpose for which the instrument or apparatus is intended is manufactured in the United States.

(e) Item 837.00 of Schedule 8 and the Subpart A headnote of Part 3, Schedule 8, provide for duty-free entry of articles launched into or returned from space by NASA, including spare parts or necessary and uniquely associated support equipment. The contracting officer shall consult 14 CFR 1214.15 (NMI 8610.18, Space Transportation System; Duty-Free Entry of Space Articles) for procedures for obtaining the required Headquarters certificates for the duty-free entry of these articles.

18-25.605 Contract clause.

18-25.605-70 NASA contract clause.

The contracting officer shall insert the clause at 18-52.225-73, Duty-Free Entry Supplies, in solicitations and contracts where the possibility exists of receiving duty-free supplies. Insert the supplies that are to be accorded duty-free entry in accordance with FAR 25.604 and 18-25.604.

18-25.670 Legal representation.

The Office of the General Counsel (Code G), NASA Headquarters, shall represent NASA before the Court of Appeals for the Federal Circuit, in matters regarding customs and duties.

SUBPART 18-25.7 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES

18-25.703 Exceptions.

When it is proposed to procure supplies originating from sources restricted by FAR 25.702 for public use outside the United States, or when a contractor proposes to use such supplies in performing a contract for construction outside the United States, the contracting officer shall make a written finding justifying the procurement. The finding shall set forth the unusual situation, such as an emergency or the nonavailability of acceptable substitute supplies of domestic origin or from sources other than the restricted sources. The contracting officer shall make the finding a part of the contract file. If the proposed procurement is not carried out by small purchase procedures, the contracting officer shall forward the finding in triplicate to the Assistant Administrator for Procurement (Code HS), for approval.

SUBPART 18-25.9
OMISSION OF THE EXAMINATION OF RECORDS CLAUSE

18-25.903 Conditions for omission.

When the contracting officer omits the clause at 52.215-1 under the conditions at FAR 25.903(a)(2), the contracting officer shall prepare a written report in triplicate to be furnished to the Congress. The head of the installation concerned shall sign the report and forward it to the Assistant Administrator for Procurement (Code HC), who shall submit it to the Administrator for the Administrator's signature and forwarding to Congress.

18-25.904 Determination and findings.

18-25.904-70 Request for determination and findings.

The contracting officer shall ordinarily initiate the request to the Administrator for determination and findings for exclusion of the clause at 52.215-1. The request shall consist of (a) a letter submitted to the Administrator through normal procurement channels and (b) a proposed determination and findings prepared for the Administrator's signature according to the format in FAR 25.904.

SUBPART 18-25.70 FOREIGN CONTRACTS

18-25.7000 Scope of subpart.

This subpart prescribes policy and procedures for negotiating foreign contracts.

18-25.7001 Definition.

"Foreign contract acquisition," as used in this subpart, means the acquisition by negotiation of supplies or services, including construction work and research and development when the work is to be performed outside the United States, its possessions, and Puerto Rico by a foreign government or instrumentality thereof or by a foreign private contractor. The term does not include --

(a) Negotiation of government-to-government agreements;

(b) Negotiation of contracts with domestic concerns involving work to be performed outside the United States, its possessions, and Puerto Rico;

(c) Contracts with the Canadian Commercial Corporation; or

(d) Acquisition of books and periodicals from foreign sources of supply.

18-25.7002 Policy.

Foreign contracts are a specialized area that often requires involved negotiation with instrumentalities of foreign governments. Some of the requirements for contract clauses imposed by U.S. laws conflict with statutory prohibitions imposed by foreign countries. The resolution of these issues generally involves close coordination between the International Relations Division (Code XI) and the Office of General Counsel, NASA Headquarters, and the Department of State. Accordingly, the responsibility for placing foreign contracts has been centralized at NASA Headquarters (but see 18-25.402-70).

18-25.7003 Assignment of responsibility for contract negotiation.

The Headquarters Contracts and Grants Division (Code HW), in conjunction with the International Relations Division (Code XI) and the Office of General Counsel, is responsible for negotiating and executing contracts with foreign governments and private foreign organizations. This assignment of responsibility is specifically limited to foreign contract acquisition, as defined at 18-25.7001,

18-25.7004 Procedure.

A Headquarters or field installation technical office requiring a foreign contract acquisition shall submit a properly approved procurement request through channels to the Headquarters Contracts and Grants Division (Code HW) for action. Contract forms and clauses for foreign contracts will be as prescribed on a case-by-case basis by the Assistant Administrator for Procurement.

18-25.7005 Assignment of contract administration.

(a) **General.** Assignment of contract administration responsibility shall be made by agreement between the initiating office and the Headquarters Contracts and Grants Division. Since principal responsibility for monitoring contract progress and performance generally rests with a field installation, the Headquarters Contracts and Grants

Division normally will designate the cognizant procurement officer as its authorized representative for contract administration.

(b) **Contracts performed in Canada.**

(1) When, in accordance with FAR Part 42, contract administration and related support service functions of the Defense Contract Administration Services are desired for a contract to be performed in Canada (whether placed with Canadian Commercial Corporation or directly with a Canadian firm), a letter or delegation shall be issued to --

Defense Supply
Agency, DCASMA, Ottawa
6th Floor, Canadian Building
219 Laurier Avenue, West
Ottawa, Ontario, Canada (K1A035)

(2) So that DCASMA, Ottawa, can utilize the capabilities of Canadian Government agencies in performing contract administration services functions, each letter of delegation shall provide that DCASMA, Ottawa, is delegated authority to act as the contracting officer's representative, with power of further delegation for the performance of the requested services.

18-25.7006 Contracts with foreign nationals.

(a) Proposals by NASA staff members involving program or contract possibilities with foreign nationals shall be coordinated with the International Relations Division (Code XI), NASA Headquarters, before any contracts are made with foreign nationals.

(b) Informal discussions between NASA staff members and foreign nationals could give rise to expectations concerning program or contract possibilities that are not supported by program requirements. Such situations must be avoided to preclude possible embarrassment to the United States as well as to NASA.

(c) Requests or offers by foreign nationals to NASA staff members on program or contract matters shall be reported promptly to the International Relations Division (Code XI).

PART 18-27

PATENTS, DATA, AND COPYRIGHTS

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PART 18-27
PATENTS, DATA, AND COPYRIGHTS

SUBPART 18-27.3
PATENT RIGHTS UNDER GOVERNMENT CONTRACTS

18-27.303 Contract clauses.

In accordance with FAR 27.303, see 18-27.373 for directions for using the clauses at FAR 52.227-11 and 52.227-13.

18-27.370 Scope of subpart.

As authorized by FAR 27.300, in accordance with statutory requirements, this subpart sets forth NASA policy, procedures, and contract clauses with respect to inventions, discoveries, improvements, and innovations made in the performance of any work under any contract awarded by or for NASA. Except where the FAR is specifically cited, this subpart supersedes FAR Subpart 27.3 in its entirety.

18-27.371 Definitions.

"Administrator," as used in this subpart, means the Administrator of NASA or a duly authorized representative.

"Contract," as used in this subpart, means any actual or proposed contract, agreement, understanding, or other arrangement, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder.

"Made," as used in this subpart, means conceived or first actually reduced to practice; provided, that in the case of a variety of plant, the date of determination (as defined in Section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d)) must also occur during the period of contract performance.

"Nonprofit organization," as used in this subpart, means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)), or any nonprofit scientific or educational organization qualified under a State nonprofit-organization statute.

"Practical application," as used in this subpart, means manufacturing, in the case of a composition or product; practice, in the case of a process or method; or operation, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law and Government regulations, available to the public on reasonable terms.

"Reportable item," as used in this subpart, means any invention, discovery, improvement, or innovation of the contractor, whether or not patentable or otherwise protectible under Title 35 of the United States Code, conceived or first actually reduced to practice in the performance of any work under any NASA contract or in the performance of any work that is reimbursable under any clause in any NASA contract providing for reimbursement of costs incurred before the effective date of the contract.

"Small business firm," as used in this subpart, means a domestic small business concern as defined at 15 U.S.C. 632 and implementing regulations of the Administrator of the Small Business Administration. (For the purpose of this definition, the size standard contained in 13 CFR 121.3-8 for small business

contractors and in 13 CFR 121.3-12 for small business subcontractors shall be used. See FAR Part 19.)

"Subject invention," as used in this subpart, means any reportable item that is or may be patentable or otherwise protectible under Title 35 of the United States Code, or any novel variety of plant that is or may be protectible under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

18-27.372 Policy.

(a) Introduction.

(1) NASA policy with respect to any invention, discovery, improvement, or innovation made in the performance of any work under any NASA contract or subcontract with other than a small business firm or a nonprofit organization and the allocation of related property rights are based upon Section 305 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2457) (the Act); and, to the extent consistent with this statute, the Presidential Memorandum on Government Patent Policy to the Heads of Executive Departments and Agencies, dated February 18, 1983, and Section 1(b)(4) of Executive Order 12591.

(2) NASA policy with respect to any invention made in the performance of experimental, developmental, or research work with a small business firm or a nonprofit organization is based on 35 U.S.C. Chapter 18, as amended. The objectives of NASA policy with respect to any NASA contract subject to Section 305 of the Act are to obtain the prompt reporting of inventions, discoveries, improvements, and innovations made in the performance of any work thereunder (whether or not patentable) in order to protect the Government's interest in them and to provide their widest practicable and appropriate dissemination, early utilization, expeditious development, and continued availability for the benefit of the scientific, industrial, and commercial communities and the general public.

(3) In addition, the objectives of NASA policy with respect to inventions made in the performance of work under all NASA contracts are to use the patent system to promote the utilization of inventions arising from federally supported research or development; to encourage maximum participation of industry in federally funded research and development efforts; to ensure that these inventions are used in a manner to promote full and open competition and free enterprise; to promote the commercialization and public availability of the inventions made in the United States by United States industry and labor; to ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and to minimize the cost of administering policies in this area.

(b) Contractor right to title.

(1) With respect to any NASA contract with other than a small business firm or a nonprofit organization (contracts subject to Section 305 of the Act; see paragraph (d) below), it is the policy of NASA to waive the rights (to acquire title) of the United States (with the reservation of a Government license set forth in paragraph (c) below and the march-in rights of paragraph (f) below) in and to any invention made in the performance of work under the contract if the Administrator determines that the interests of the United States will be served by this action. This policy, as well as the procedures and instructions for such waiver of rights, is stated in the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1. These regulations adopt the Presidential Memorandum on Government

Patent Policy of February 18, 1983, as a guide in acting on a contractor's request for such waiver of rights (i.e., request for title). Waiver may be requested in advance of contract award for any or all of the inventions that may be made under the contract, or for individually identified inventions reported under the contract. When waiver of rights is granted, the contractor's right to title, the rights reserved by the Government, and other conditions and obligations of the waiver shall be included in an Instrument of Waiver executed by NASA and the party receiving the waiver.

(2) With respect to any contract with a small business firm or a nonprofit organization, the contractor's right to receive title is as stated in FAR 27.302(b).

(3) It is also a policy of NASA to consider for a monetary award, when referred to the NASA Inventions and Contributions Board, any invention made in the performance of a NASA contract and reported to NASA in accordance with this subpart, and for which an application for patent has been filed.

(c) **Government license.**

(1) For each invention made in the performance of work under any NASA contract with other than a small business firm or a nonprofit organization and for which waiver of rights has been granted in accordance with 14 CFR Section 1245, Subpart 1, the Administrator shall reserve an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the United States or any foreign government in accordance with any treaty or agreement with the United States.

(2) For any invention made in the performance of work under any contract not subject to the Government license of subparagraph (1) above, FAR 27.302(c) shall apply.

(d) **Government right to receive title.**

(1) Under Section 305(a) of the Act (42 U.S.C. 2457(a)), any invention made in the performance of work under a NASA contract becomes the exclusive property of the United States when certain determinations stated in the Act relating to the employment status of the person making the inventions are made, unless the Administrator waives all or any part of the rights. NASA has adopted the Presidential Memorandum on Government Patent Policy of February 18, 1983, as a guide in acting on a contractor's request for waiver (see paragraph (b) above).

(2) Thus, NASA acquires title to any subject invention under any NASA contract with other than a small business firm or a nonprofit organization (i.e., those contracts subject to Section 305(a) of the Act) unless waiver has been granted and made applicable to that invention. Such contracts are required to contain the clause at 18-52.227-70, New Technology. Paragraph (b) of that clause sets forth the circumstances under which NASA acquires title to a subject invention under Section 305(a). When waiver is granted, the contractor's right to title will be included in an Instrument of Waiver executed by NASA and the party receiving the waiver.

(3) With respect to any contract with a small business firm or a nonprofit organization, FAR 27.302(d) shall apply.

(e) **Utilization reports.** FAR 27.302(e) shall apply, except that for any NASA contract with other than a small business firm or a nonprofit organization, the requirements for utilization reports shall be as set forth in the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1, and any Instrument of Waiver executed under those Regulations.

(f) **March-in rights.** FAR 27.302(f) shall apply, except that for any NASA contract with other than a small business firm or a nonprofit organization, the march-in rights shall be as set forth in the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1, and any Instrument of Waiver executed under those Regulations.

(g) **Preference for United States industry.** FAR 27.302(g) shall apply, except that with respect to any NASA contract with other than a small business firm or a nonprofit organization, any waiver of the requirements of FAR 27.302(g) shall be in accordance with the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1.

(h) **Minimum rights to contractor.**

(1) With respect to any NASA contract with other than a small business firm or a nonprofit organization, for each reported subject invention to which the Government acquires title, the contractor is normally granted (in accordance with 14 CFR Section 1245, Subpart 1) a revocable, nonexclusive, royalty-free license in each patent application filed in any country and in any resulting patent. The license extends to any of the contractor's domestic subsidiaries and affiliates within the corporate structure of which the contractor is a part, and includes the right to grant sublicenses of the same scope to the extent the contractor was legally obligated to do so at the time the contract was awarded. The license and right are transferable only with the approval of the Administrator, except when transferred to the successor of that part of the contractor's business to which the invention pertains.

(2) The contractor's domestic license granted in accordance with subparagraph (1) above may be revoked or modified by the Administrator to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with 14 CFR Section 1245, Subpart 2, Licensing of NASA Inventions. This license will not be revoked in any field of use or geographical area in which the contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Administrator to the extent that the contractor, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that country. The procedures for revocation or modification of any license, domestic or foreign, shall be in accordance with 14 CFR 1245.211.

(3) With respect to any contract with a small business firm or a nonprofit organization, FAR 27.302(h) shall apply.

(i) **Confidentiality of inventions.** FAR 27.302(i) shall apply.

18-27.373 Contract clauses and solicitation provisions.

(a) **Patent rights--retention by the contractor (short form).**

(1) The contracting officer shall insert the clause at FAR 52.227-11, Patent Rights--Retention by the Contractor (Short Form), in any contract (and solicitation therefor) with a small business firm or a nonprofit organization for the performance of experimental, developmental, or research work unless a determination is made to use another clause in accordance with one of the exceptions set forth in paragraph (c) below. The clause shall be modified as specified in subparagraph (4) below. Also, see paragraph (f) below and 18-27.374-4.

(2) If the acquisition of patent rights for the benefit of a foreign government is required under a treaty or executive agreement, or if the Administrator determines at the time of contracting that it would be in the

national interest to acquire the right to sublicense foreign governments or international organizations pursuant to any existing or to-be-entered-into treaty or agreement, the contracting officer shall use the clause with its Alternate I.

(3) To qualify for the clause at FAR 52.227-11, a prospective contractor may be required to certify that it is either a small business firm or a nonprofit organization. If there is reason to question the status of the prospective contractor, the contracting officer may file a protest in accordance with 13 CFR 121.3-5 if small business firm status is questioned or requires the prospective contractor to furnish evidence of its status as a nonprofit organization.

(4) When the clause at FAR 52.227-11 is included in a solicitation or contract, it shall be modified as authorized in FAR 27.303(a)(2) by adding the following subparagraphs to paragraph (f):

> (5) The Contractor shall furnish the Contracting Officer the following:
>
> (i) Interim reports every 12 months (or such longer period as the Contracting Officer may specify) from the date of the contract, listing subject inventions made during that period and certifying that all have been disclosed or that there are none.
>
> (ii) A final report, within 3 months after completion of the contracted work, listing all subject inventions or certifying that there were none, and listing all subcontracts at any tier that contain a patent rights clause or certifying that there were none.
>
> (6) The Contractor shall promptly notify the Contracting Officer in writing upon the award of any subcontract at any tier containing a patent rights clause, by identifying the subcontractor, the applicable patent rights clause, the work to be performed under the subcontract, and the dates of award and estimated completion. Upon the Contracting Officer's request, the Contractor shall furnish a copy of that subcontract, and no more frequently than annually, a listing of the subcontracts that have been awarded.
>
> (7) The Contractor shall provide, upon request, the filing date, serial number, and title; a copy of the patent application (including an English language version if filed in a language other than English); and the patent number and issue date for any subject invention for which the Contractor has retained title.
>
> (8) Upon request, the Contractor shall furnish the Government an irrevocable power to inspect and make copies of the patent application file.

(b) **New technology.** As authorized in FAR 27.303(c)(2), the contracting officer shall insert the clause at 18-52.227-70, New Technology, in any NASA contract (and solicitation therefor) with other than a small business firm or a nonprofit organization, if the contract is to be performed in the United States, its possessions, or Puerto Rico and has as a purpose the performance of experimental, developmental, research, design, or engineering work (see also 18-27.374-3 and 18-27.374-4). Contracts for any of the following purposes may be considered to involve the performance of work of the type described above (these examples are illustrative and not limiting):

(1) Conduct of basic or applied research.

(2) Development, design, or manufacture for the first time of any machine, article of manufacture, or

composition of matter to satisfy NASA's specifications or special requirements.

(3) Development of any process or technique for attaining a NASA objective not readily attainable through the practice of a previously developed process or technique.

(4) Testing of, evaluation of, or experimentation with a machine, process, concept, or technique to determine whether it is suitable or could be made suitable for a NASA objective.

(5) Construction work or architect-engineer services having as a purpose the performance of experimental, developmental, or research work or test and evaluation studies involving such work.

(6) The operation of facilities or the coordination and direction of the work of others, if these activities involve performing work of any of the types described in subparagraphs (1) through (5) above.

(c) **Other patent rights clauses.** The contracting officer shall use a patent rights clause other than as specified in paragraph (a) or (b) above, under the circumstances set forth in the following subparagraphs (1) through (3).

(1) When work is to be performed outside the United States, its possessions, and Puerto Rico by contractors that are not domestic firms, the clause at 18-52.227-85, Invention Reporting and Rights--Foreign, shall be used unless the contracting officer determines, with concurrence of the installation's Patent Counsel, that the objectives of the contract would be better served by use of the clause at FAR 52.227-13, Patent Rights--Acquisition by the Government. For the purposes of this subparagraph (1), the contracting officer may presume that a contractor is not a domestic firm unless it is known that the firm is not foreign owned, controlled, or influenced. (See FAR 27.304-4(a) regarding subcontracts with U.S. firms.)

(2) When a contract is placed for another Government agency, that agency may request use of a specific patent rights clause (see FAR 27.304-2). If the agency for which the contract is to be placed does not request a specific clause, the contracting officer, upon consultation with the installation's Patent Counsel, may use the clause of paragraph (a) or (b) above, as applicable.

(3) When the contract is with a small business firm or a nonprofit organization for the performance of experimental, developmental, or research work, a determination may be made not to use the clause prescribed in paragraph (a) above by using the criteria and procedures in FAR 27.303(d). In such case, the installation's Patent Counsel is to be consulted for the appropriate clause to use.

(d) **Requests for waiver of rights to inventions.** The procedures for requesting waiver of rights to any inventions made in the performance of work under any NASA contract with other than a small business firm or a nonprofit organization are set forth in the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1. In order to advise prospective contractors of those procedures, the contracting officer shall insert the provision at 18-52.227-71, Requests for Waiver of Rights to Inventions, in all solicitations that include the clause at 18-52.227-70, New Technology.

(e) **Designation of New Technology Representative and Patent Representative.** The contracting officer shall insert the clause at 18-52.227-72, Designation of New Technology Representative and Patent Representative, in all solicitations and contracts containing either of the clauses prescribed in paragraph (a) or (b) above. It may also be inserted, upon consultation with the installation's Patent Counsel, in solicitations and contracts using another patent rights clause in accordance with paragraph (c) above.

(f) **Patent rights clause for subcontracts.** The contracting officer shall insert the clause at 18-52.227-73, Patent Rights Clause for Subcontracts, in all solicitations and contracts that include the clause at FAR 52.227-11, Patent Rights--Retention by the Contractor (Short Form).

(g) **Solicitation provision.** The contracting officer shall insert the provision at 18-52.227-84, Patent Rights Clauses, in solicitations for experimental, developmental, or research work to be performed in the United States, its possessions, or Puerto Rico when the eventual awardee may be a small business or a nonprofit organization but the matter is uncertain at the time of solicitation (e.g., the procurement is not a set-aside and is not sole source to a large business).

18-27.374 Procedures.

18-27.374-1 General.

(a) **Greater rights determinations.** In any NASA contract with other than a small business firm or a nonprofit organization and with respect to which advance waiver of rights has not been granted (see 18-27.372(b)), the contractor (or an employee-inventor of the contractor after consultation with the contractor) may request waiver of title to an individual identified subject invention pursuant to the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1. In any contract with a small business firm or a nonprofit organization, FAR 27.304-1(a) shall apply.

(b) **Retention of rights by inventor.** The NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1, shall apply for any invention made in the performance of work under any NASA contract with other than a small business firm or a nonprofit organization. For inventions made under a contract with a small business firm or a nonprofit organization, FAR 27.304-1(b) shall apply.

(c) **Government assignment to contractor of rights in Government employees' inventions.** FAR 27.304-1(c) shall apply.

(d) **Additional requirements.** See 18-27.373(a).

(e) **Revocation or modification of contractor's minimum rights.** Revocation or modification of the contractor's license rights (see 18-27.372(h)(2)) shall be in accordance with the procedures of 14 CFR Section 1245, Subpart 1, for subject inventions made and reported under any NASA contract with other than a small business firm or a nonprofit organization, and in accordance with FAR 27.304-1(e) for subject inventions made and reported under any contract with a small business firm or a nonprofit organization. The contractor's right to appeal a NASA determination to revoke or modify any such license shall be in accordance with 14 CFR Section 1245, Subpart 2, Licensing of NASA Inventions.

(f) **Exercise of march-in rights.**

(1) With respect to inventions made in the performance of work under any NASA contract with other than a small business firm or a nonprofit organization, the procedures for the exercise of march-in rights shall be as set forth in the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1.

(2) With respect to inventions made under any contract with a small business firm or a nonprofit organization, FAR 27.304-1(g) shall apply.

(g) **Licenses and assignments under contracts with nonprofit organizations.** FAR 27.304-1(h) shall apply. NASA's approving official for any assignment requested under FAR 27.304-1(h) is the Associate General Counsel (Intellectual Property). Contractors' requests should be made to the Patent Representative designated in accordance with 18-27.373(e) and forwarded, with recommendation, to the Associate General Counsel (Intellectual Property) for decision.

18-27.374-2 Contracts placed by or for other Government agencies.

FAR 27.304-2 shall apply.

18-27.374-3 Contracts for construction work or architect-engineer services.

(a) If a NASA contract for construction work or architect-engineer services with other than a small business firm or a nonprofit organization has as a purpose the performance of experimental, developmental, or research work, or test and evaluation studies involving such work, and the contract calls for or can be expected to involve the design of a Government facility or of novel structures, machines, products, materials, processes, or equipment (including construction equipment), the contract shall include the clause prescribed at 18-27.373(b) except as provided in FAR 27.304-3(b).

(b) For all other contracts for construction work or architect-engineer services, FAR 27.304-3 shall apply.

18-27.374-4 Subcontracts.

(a) The policies and procedures in this subpart apply to all contracts at any tier. Hence, unless the contracting officer otherwise authorizes or directs, contractors awarding subcontracts and subcontractors awarding lower-tier subcontracts shall select and include one of the following clauses, suitably modified to identify the parties, in the indicated subcontracts:

(1) The clause at 18-52.227-70, New Technology, in any subcontract with other than a small business firm or a nonprofit organization if a purpose of the subcontract is the performance of experimental, developmental, research, design, or engineering work of any of the types described in 18-27.373(b)(1) through (6).

(2) The clause at FAR 52.227-11, Patent Rights--Retention by the Contractor (Short Form), modified in accordance with 18-27.373(a), in any subcontract with a small business firm or a nonprofit organization if a purpose of the subcontract is the performance of experimental, developmental, or research work.

(b) Whenever a prime contractor or a subcontractor considers it inappropriate to include one of the clauses discussed in paragraph (a) above in a particular subcontract, or a subcontractor refuses to accept the clause, the matter shall be resolved by the contracting officer in consultation with the installation's Patent Counsel.

(c) Contractors and subcontractors may not use their ability to award subcontracts as economic leverage to acquire rights for themselves in inventions resulting from such subcontracts.

18-27.374-5 Appeals.

FAR 27.304-5 shall apply unless otherwise provided in the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1.

18-27.375 Administration of the patent rights and new technology clauses.

18-27.375-1 New technology and patent rights follow-up.

(a) It is important that the Government and the contractor know, protect, and exercise their rights in inventions, discoveries, improvements, and innovations made in the performance of work under NASA contracts in order to ensure their expeditious availability to the public; foster commercial use; enable the Government, contractor, and public to avoid unnecessary payment of royalties; and defend themselves against claims and suits for infringement. To attain these ends, contracts having the clause at 18-52.227-70, New Technology, the clause at FAR 52.227-11, Patent Rights--Retention by the Contractor (Short Form), or any other patent rights clause (hereinafter all collectively referred to as "the clause" unless otherwise indicated), should be so administered that --

(1) Reportable items and subject inventions are identified, disclosed, and reported as required by the clause, and requests for waiver of title or election of title, when appropriate, are timely made;

(2) The rights of the Government in reportable items and subject inventions are established;

(3) Where patent protection is appropriate, patent applications are timely filed and prosecuted;

(4) The rights of the Government in filed patent applications are documented by formal instruments such as licenses or assignments; and

(5) Expeditious commercial utilization of reportable items and subject inventions is achieved.

(b) (1) For each contract containing the clause, the contracting officer shall designate representatives (hereinafter referred to as the "New Technology Representative" and the "Patent Representative"; see 18-27.373(e)) to administer the clause, protect the Government's rights, and take other actions in relation thereto. The New Technology Representative shall be the Technology Utilization Officer or the staff member (by titled position) having cognizance of technology utilization matters for the NASA installation concerned. The Patent Representative shall be the Patent Counsel (by titled position) having cognizance of patent matters for the NASA installation concerned. Designation of these representatives in the contract is made by use of the clause at 18-52.227-72, Designation of New Technology Representative and Patent Representative.

(2) The contracting officer shall --

(i) Furnish the New Technology Representative a copy of each contract (and modifications thereto) containing the clause, and copies of the final technical report, interim technical progress reports, and other pertinent material provided under the contract, unless the New Technology Representative indicates otherwise;

(ii) Notify the New Technology Representative as to which NASA installation organizational element has technical cognizance of the contract; and

(iii) Furnish the Patent Representative a copy of each contract (and modifications thereto) containing the clause, and copies of the final technical report, interim progress reports, and other pertinent material provided under the contract, unless the Patent Representative indicates otherwise.

(3) The New Technology Representative and the Patent Representative shall (i) maintain complete files of correspondence and other actions involving their respective administration of the clause and (ii) furnish copies of documents appropriate for inclusion in the general contract files to the contracting officer.

(4) If a subject invention is made under funding agreements of more than one agency, at the request of the contractor or on their own initiative, the agencies shall designate one agency as responsible for administering the rights of the Government in the invention.

18-27.375-2 Follow-up by contractor.

(a) **Contractor procedures.**

(1) Each NASA contractor other than a small business firm or a nonprofit organization shall establish and maintain active and effective procedures to ensure that reportable items are promptly identified, reported, and disclosed in order to meet the requirements of the clause. These procedures must include the maintenance of (i) laboratory notebooks or equivalent records and any other records reasonably necessary to document the conception and/or first actual reduction to practice of reportable items and (ii) records showing that the procedures for identifying and disclosing reportable items are followed. Upon request, the contractor shall furnish the contracting officer or a designated representative, for evaluation and a determination as to their effectiveness, a description of the procedures.

(2) In order to ensure adequate understanding of and commitment to the reporting requirements of the New Technology clause, prospective contractors under any NASA contract with an estimated cost of $2,500,000 or more (or a lesser dollar amount where considered appropriate) that contains the clause may be required to submit for approval a detailed plan for new technology reporting (see 18-35.003-71).

(b) **Contractor reports.**

(1) During the period of performance of each contract or subcontract, the contractor or subcontractor is required to submit to the New Technology Representative (or any other representative designated by the contracting officer) all disclosures of reportable items and subject inventions, interim reports, subcontract identification, and other information in the manner required by the clause, and upon the completion of the work under the contract or subcontract, the final report if required by the clause.

(2) Reporting of reportable items as required by the New Technology clause promptly and before the completion of contract work, and prompt submission of the final report upon completion of contract work, will aid new technology clearance. Timely submission of annual interim reports, where contracts cover a period of more than one year, will also facilitate clause administration and expedite final clearance.

18-27.375-3 Follow-up by Government.

(a) The New Technology Representative shall review, as necessary, the technical progress of work performed under the contract to ascertain whether the contractor and its subcontractors are complying with the clause's reporting requirements. This effort should be directed primarily toward contracts and subcontracts that, by the nature of the work to be performed or the dollar amounts involved, are likely to produce reportable items or subject inventions of significant quantity or quality, or toward contracts and subcontracts under which there is reason to believe that the contractors may not be complying with their contractual obligations. Other contracts and subcontracts should be spot-checked when feasible. These follow-up activities may include --

(1) Reviewing the contractor's technical reports;

(2) Requesting the Patent Representative to check sources for patents issued to the contractor in fields related to the contractor's Government contracts;

(3) Interviewing contractor personnel regarding work under the contract, observing the work on-site, and inspecting laboratory notebooks and other contractor records related to work under the contract, to the extent authorized by the clause;

(4) Interviewing agency technical personnel concerning novel developments in contracts under their cognizance; and

(5) Ensuring that the contractor is timely in reporting reportable items, disclosing subject inventions, and submitting interim reports, subcontract identification, and final reports as required by the clause.

(b) The New Technology Representative shall forward to the Patent Representative copies of all contractors' and subcontractors' written reports of reportable items and disclosures of subject inventions, and a copy of the written statement, if any, submitted with the report of the reportable item. The New Technology Representative shall consult with the Patent Representative whenever a question arises as to whether a given reportable item is to be considered a subject invention and whether it was made in the performance of work under the contract. All correspondence relating to (1) inventions and waivers under the New Technology clause and (2) election of title under the Patent Rights--Retention by the Contractor (Short Form) clause shall also be promptly forwarded to the Patent Representative.

(c) The Patent Representative shall review each reportable item to ascertain whether it is to be considered a subject invention, obtain any determinations required by paragraph (b) of the New Technology clause, and notify the contractor. As to any subject invention, the Patent Representative shall (1) ensure that the contractor has provided sufficient information to protect the Government's rights and interests in it and to permit the preparation, filing, and prosecution of patent applications, (2) make determinations of inventorship, and (3) ensure the preparation of instruments establishing the Government's rights. The Patent Representative shall also, as necessary, conduct selected reviews of the nature set forth in paragraph (a) above to ensure that subject inventions are identified, adequately documented, and timely reported or disclosed.

(d) Upon receipt of any final report required by the clause, and upon determination that the contract work is complete, the New Technology Representative shall determine whether the contractor has complied with the clause's reporting requirements. If so, the New Technology Representative shall certify compliance, obtain the Patent Representative's concurrence, and forward the certification to the contracting officer. Such determinations generally will require consultation with cognizant technical personnel.

(e) Either the New Technology Representative or the Patent Representative, in consultation with the other, may prepare opinions, make determinations, and otherwise advise the contracting officer with respect to any withholding of payment under paragraph (g) of the New Technology clause. Either the New Technology Representative or the Patent Representative may represent the contracting officer for the purpose of examining the contractor's books, records, and other documents in accordance with paragraph (f) of the New Technology clause and take corrective action as appropriate. However, no action may be taken by either the New Technology Representative or the Patent Representative that would (1) constitute a final decision under the Disputes clause, (2) involve any change or increase in the work required to be performed under the contract that is inconsistent with any right of appeal provided in FAR 27.304-5 or 14 CFR 1245.1, or (3) otherwise be outside the scope of obligations imposed upon the contractor by the contract.

(f) If it is determined that a contractor or subcontractor does not clearly understand of the rights and obligations of the parties under a patent rights clause, or that its procedures for complying with the clause are deficient, a post-award orientation should ordinarily be conducted to explain these rights and obligations (see FAR Subpart 42.5). When a contractor fails to establish, maintain, or follow effective procedures for identifying, disclosing, and, when appropriate, filing patent applications on inventions (if such procedures are required by the patent rights clause), or after appropriate notice fails to correct any deficiency, the contracting officer or a representative may require the contractor to make available for examination books, records, and documents relating to the contractor's inventions in the same field of technology as the contract effort to enable a determination of whether there are such inventions and may invoke the withholding of payments provision (if any) of the clause. The withholding of payments provision (if any) of the patent rights clause or of any other contract clause may also be invoked if the contractor fails to disclose a subject invention. Significant or repeated failures by a contractor to comply with the patent rights obligation in its contracts shall be documented and made a part of the general file (see FAR 4.801(c)(3)).

(g) The contracting officer shall not approve release of final payment under the contract and, if applicable, any reserve set aside under the withholding provisions of the clause for deficiencies and delinquent reporting not corrected as of the time of the submission of the final report by the contractor until receipt of the New Technology Representative's certification of compliance, and the Patent Representative's concurrence, as specified in paragraph (d) above.

18-27.375-4 Conveyance of invention rights acquired by the Government.

(a) When the Government acquires the entire right to, title to, and interest in an invention under the clause at 18-52.227-70, New Technology, a determination of title is to be made in accordance with Section 305(a) of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2457(a)), and reflected in appropriate instruments executed by NASA and forwarded to the contractor.

(b) When the Government acquires the entire right to, title to, and interest in an invention other than pursuant to paragraph (a) above, FAR 27.305-4 shall apply.

18-27.375-5 Publication and release of invention disclosures.

FAR 27.305-5 shall apply.

18-27.376-6 Licensing of background rights to third parties.

FAR 27.306 shall apply.

SUBPART 18-27.4
RIGHTS IN DATA AND COPYRIGHTS

18-27.404 Basic rights in data clause.

(a) **Alternate definition of limited-rights data.** When the clause at FAR 52.227-14, Rights in Data--General, is used with Alternate I, but without Alternate II or Alternate III, all data qualifying as limited-rights data as defined in Alternate I may be withheld from delivery, and any study or report delivered under the contract will contain only unlimited rights data that may be disseminated by NASA. If delivery of withholdable data is required, Alternate II or Alternate III, as applicable, may be used, but any data subject to these alternates will be delivered under the applicable limited-rights or restricted-rights notices and therefore may not be disclosed outside NASA except to the extent permitted by these notices (see FAR 27.404(d) and (e)).

(b) **Protection of limited-rights data specified for delivery.** The contracting officer shall consult with the installation's Patent or Intellectual Property Counsel regarding any questions concerning the delivery of limited-rights data and/or the use of Alternate II that may arise (1) from an offeror's response to the provision at FAR 52.227-15, Representation of Limited-Rights Data and Restricted Computer Software, or (2) during negotiations.

(c) **Protection of restricted computer software specified for delivery.** The contracting officer shall consult with the installation's Patent or Intellectual Property Counsel regarding any questions concerning the delivery of restricted computer software and/or the use of Alternate III that may arise (1) from an offeror's response to the provision at FAR 52.227-15, Representation of Limited-Rights Data and Restricted Computer Software, or (2) during negotiations.

(d) **Copyrighted data.**

(1) The contracting officer shall consult with the installation's Patent or Intellectual Property Counsel before granting in accordance with FAR 27.404(f)(1)(ii) permission for a contractor to establish claim to copyright subsisting in data, other than computer software, first produced under the contract. For copyright of computer software first produced under the contract, see paragraph (e) below.

(2) Obtaining a copyright license of a different scope than set forth in subparagraph (c)(1) or (c)(2) of the clause at 52.227-14, Rights in Data--General, for any contract or class of contracts in accordance with either FAR 27.404(f)(1)(iv) or FAR 27.404(f)(2)(i), is permitted only with approval of the Procurement Officer and concurrence of the installation's Patent or Intellectual Property Counsel.

(e) **Release, publication, and use of data.**

(1) The NASA subparagraph (d)(3) (see 18-27.409(e)) is to be added to paragraph (d) of the clause at FAR 52.227-14, Rights in Data--General, whenever that clause is used in any contract other than one for basic or applied research with a university or college. The subparagraph provides that the contractor may not establish claim to copyright, publish, or release to others computer software first produced in the performance of a contract without the contracting officer's prior written permission. This is in accordance with NASA policy and procedures for the distribution of computer software developed by NASA and its contractors, as set forth in NASA Management Instruction

2210.2, NASA Scientific and Technical Information Handbook.

(2) The contracting officer may, in consultation with the installation's Patent or Intellectual Property Counsel, grant the contractor permission to copyright, publish, or release to others computer software first produced in the performance of a contract if --

(i) The contractor has identified an existing commercial computer software product line or proposes a new one and states a positive intention of incorporating any computer software first produced under the contract into that line, either directly itself or through a licensee;

(ii) The contractor has made, or will be required to make, significant contributions to the development of the computer software by co-funding or by cost-sharing, or by contributing resources (including but not limited to agreement to provide continuing maintenance and update of the software at no cost for Governmental use); or

(iii) The concurrence of a cognizant official named in NASA Management Instruction 2210.2 or the Director, Technology Utilization Division, NASA Headquarters, has been obtained.

(3) The contractor's request for permission in accordance with subparagraph (1) above may be made either before contract award or during contract performance. Any permission granted in accordance with subdivision (2)(i) or (2)(ii) above shall be by express contract provision (or amendment) overriding subparagraph (d)(3) rather than by deleting subparagraph (d)(3) from the clause. Any permission granted in accordance with subdivision (2)(iii) above may be either by deleting subparagraph (d)(3) or by special contract provision, as appropriate. Any contract provision relating to any permission granted in accordance with subdivision (2)(i) or (2)(ii) above may contain appropriate assurances that the computer software will be incorporated into an existing or proposed new commercial computer software product line within a reasonable time and/or that the agreed contributions to the Government are fulfilled, with contingencies enabling the Government itself to obtain the right to distribute the software for commercial use, including the right to obtain assignment of copyright where applicable, in order to prevent the computer software from being suppressed or abandoned by the contractor. Also, when any permission to copyright is granted, any copyright license retained by the Government shall be of the same scope as set forth in subparagraph (c)(1) of the clause (see also FAR 27.404(f)(1)) and without any obligation of confidentiality on the part of the Government, unless in accordance with subdivision (2)(ii) above the contributions of the Contractor may be considered "substantial" for the purposes of FAR 27.408 (i.e., approximately 50 percent), in which case rights consistent with FAR 27.408 may be negotiated for the computer software in question.

(f) **Unauthorized marking of data.**

The contracting officer shall consult with the installation's Patent or Intellectual Property Counsel before taking any action regarding unauthorized markings of data under paragraph (e) of the clause at FAR 52.227-14, Rights in Data--General.

(g) **Omitted or incorrect notices.**

The contracting officer shall consult with the installation's Patent or Intellectual Property Counsel before agreeing to add or correct, or adding or correcting, any markings on data under paragraph (f) of the clause at FAR 52.227-14, Rights in Data--General.

18-27.405 Other data rights provisions.

(a) **Acquisition of existing computer software.**

(1) When the clause at FAR 52.227-19, Commercial Computer Software--Restricted Rights, is used, NASA paragraph (e) (see 18-27.409(f)) may be added to receive updates, correction notices, consultation information, and other similar information on any computer software delivered under the purchase order or contract by authorizing the NASA contracting officer or the NASA contract technical representative/user to sign any vendor-supplied agreements, registration forms, or cards and return them directly to the vendor. This procedure is to facilitate receiving applicable information and is not intended to alter any NASA rights or obligations set forth in the clause or elsewhere in the contract. The price, schedule, and other terms, if any, are to be specified in the purchase order or contract.

(2) When the clause at 52.227-19, Commercial Computer Software--Restricted Rights, is used, NASA paragraph (f) (see 18-27.409(g)) may be added to incorporate applicable portions of the contractor's standard commercial license or lease agreement into the purchase order/contract to the extent consistent with the clause, Federal laws, standard industry practices, and the FAR.

(3) Instead of the clause at FAR 52.227-19, Commercial Computer Software--Restricted Rights (either with or without additional paragraphs (e) and/or (f)), the contracting officer may use the NASA clause at 18-52.227-86, Commercial Computer Software--Licensing. This clause is particularly useful when there are multiple computers on which the computer software may be used, but simultaneous use is prohibited or restricted in the vendor/contractor standard commercial software license to be incorporated in and made part of the purchase order/contract. It also automatically adopts terms in the vendor/contractor standard commercial license that may be less restrictive than those set forth in the clause at FAR 52.227-19 without having to customize that clause or modify the purchase order/contract. In addition, it enables the vendor/contractor's standard marking to be used without requiring additional markings on the software.

(b) **Contracts awarded under the Small Business Innovative Research (SBIR) Program.**

If, during the performance of an SBIR contract (Phase I or Phase II), the need arises for NASA to obtain delivery of restricted computer software as defined in the clause at FAR 52.227-20, Rights in Data--SBIR Program, and the contractor agrees to such delivery, the restricted computer software may be acquired with restricted rights by modification of the contract or under an agreement incorporated in and made part of the contract, using the restricted rights set forth in FAR 27.404(e) and the related restrictions as a guide.

18-27.406 Acquisition of data.

(a) General.

When specifying data delivery requirements in accordance with FAR 27.406(a), requirements for delivering technical data relating to standard commercial items, components, or processes should be kept to the absolute minimum consistent with the purpose for which they are being procured. Normally, a vendor's manuals for installation, operation, or maintenance and repair and/or form, fit, and function data are adequate for most needs.

(b) **Reports of work.**

(1) In addition to any other data delivery requirements that may be set forth in the contract in accordance with FAR 27.406, NASA contractors normally should be required to furnish reports of work performed under research and development contracts (fixed-price and cost reimbursement) and also may be required to furnish them in cost-reimbursement supply contracts if they are considered desirable for monitoring contract performance. This purpose shall be achieved by including the following general requirements, modified as needed to meet the particular requirements of the contract, in the section of the contract specifying data delivery requirements:

(i) *Monthly progress reports.* The contractor shall submit separate monthly progress reports of all work accomplished during each month of contract performance. Reports shall be in narrative form, brief, and informal. They shall include a quantitative description of overall progress, an indication of any current problems that may impede performance, proposed corrective action, and a discussion of the work to be performed during the next monthly reporting period. (Normally, this requirement should not be used in contracts with nonprofit organizations.)

(ii) *Quarterly progress reports.* The contractor shall submit separate quarterly reports of all work accomplished during each three-month period of contract performance. In addition to factual data, these reports shall include a separate analysis section interpreting the results obtained, recommending further action, and relating occurrences to the ultimate objectives of the contract work. Sufficient diagrams, sketches, curves, photographs, and drawings shall be included to convey the intended meaning.

(iii) *Final report.* The contractor shall submit a final report that documents and summarizes the results of the entire contract work, including recommendations and conclusions based on the experience and results obtained. The final report shall include tables, graphs, diagrams, curves, sketches, photographs, and drawings in sufficient detail to explain comprehensively the results achieved under the contract.

(iv) ***Report Documentation Page.*** The contractor shall include a completed Report Documentation Page (NASA Form 1626) as the final page of each report submitted in accordance with subdivisions (i) through (iii) above.

(v) ***Submission.*** The required numbers of copies of the reports specified in subdivisions (i) through (iii) shall be submitted to the technical monitor of the contract in the absence of other instructions from the requesting activity. In addition, a reproducible copy and a printed, or reproduced, copy of the reports shall be sent to the NASA Scientific and Technical Information Facility, Attn: Accessioning Department, P.O. Box 8757, Baltimore/Washington International Airport, MD 21240.

(2) The contracting officer shall consider the desirability of providing reports on the completion of significant units or phases of work, in addition to periodic reports and reports on the completion of the entire contract. The data delivery requirements section of the contract shall also list other data to be delivered under the contract and provide, as necessary, specific instructions regarding delivery, submission dates, report numbering, numbers of copies to be submitted, distribution lists, and any other information to ensure appropriate distribution of the required reports of work.

18-27.408 Cosponsored research and development activities.

The contracting officer shall consult with the installation's Patent or

Intellectual Property Counsel before limiting the acquisition of or acquiring less than unlimited rights to any data developed under contracts involving cosponsored research and development activities in accordance with FAR 27.408.

18-27.409 Solicitation provisions and contract clauses.

(a) Alternate I is to be used with the FAR clause at 52.227-14, Rights in Data--General, only with approval of the Procurement Officer and concurrence of the installation's Patent or Intellectual Property Counsel. An example of its use is where the principal purpose of the contract (such as a contract for basic or applied research) does not involve the development, use, or delivery of items, components, or processes that are intended to be acquired for use by or for the Government (either under the contract in question or under any anticipated follow-on contracts relating to the same subject matter). Other examples include socioeconomic studies or reports, educational material, health and safety information, management analyses, and related matters the preparation of which may involve confidential business information qualifying as limited-rights data as defined by Alternate I.

(b) The specific purposes for the release of limited-rights data outside the Government set forth in subdivisions (i) through (v) of FAR 27.404(d)(1) are to be added to the Limited-Rights Notice of subparagraph (g)(2) of Alternate II of the clause at FAR 52.227-14, Rights in Data--General. However, the contracting officer may, upon consultation with the installation's Patent or Intellectual Property Counsel, make deletions from the specific purposes listed. If all are deleted, the word "None" must be inserted in the notice. Additions to those specific purposes listed may be made only with the approval of the installation Procurement Officer and concurrence of the installation's Patent or Intellectual Property Counsel.

(c) The contracting officer shall consult with the installation's Patent or Intellectual Property Counsel regarding the acquisition of restricted computer software with greater or lesser rights than those set forth in Alternate III of the FAR clause at 52.227-14, Rights in Data--General, in accordance with FAR 27.404(e)(2). Where it is impractical to actually modify the notice of Alternate III, this may be done by express reference in a separate clause in the contract or by a collateral agreement that addresses the change in the restricted rights.

(d) Use of Alternate IV with the FAR clause at 52.227-14, Rights in Data--General, in any contract other than a contract for basic or applied research to be performed solely by a college or university on campus (but not for the management or operation of Government facilities) is permitted only with approval of the Procurement Officer and concurrence of the installation's Patent or Intellectual Property Counsel.

(e) In accordance with 18-27.404(e)(1), the contracting officer shall add the following subparagraph (d)(3) to paragraph (d) of the clause at FAR 52.227-14, Rights in Data--General, except in solicitations and contracts for basic or applied research with universities or colleges:

> (d) (3) The Contractor agrees not to establish claim to copyright or publish or release to others any computer software first produced in the performance of this contract without the Contracting Officer's prior written permission.

(f) In accordance with 18-27.405(a)(1), the contracting officer shall add the following paragraph (e) to the clause at FAR 52.227-19, Commercial Computer Software--Restricted Rights, when it is contemplated that updates, correction notices, consultation information, and other similar items of information relating to commercial computer software delivered under a purchase order or contract are available and their receipt can be facilitated by signing a vendor supplied agreement, registration forms, or cards and returning them directly to the vendor:

> (e) For the purposes of receiving updates, correction notices, consultation information, or other similar information regarding any computer software delivered under this contract/purchase order, the NASA Contracting Officer or the NASA Contract Technical Representative/User may sign any vendor-supplied agreements, registration forms, or cards and return them directly to the vendor; however, such signing shall not alter any of the rights or obligations of either NASA or the vendor set forth in this clause or elsewhere in this contract/purchase order.

(g) In accordance with 18-27.405(a)(2), the contracting officer shall add the following paragraph (f) to the clause at FAR 52.227-19, Commercial Computer Software--Restricted Rights, when portions of a contractor's standard commercial license or lease agreement consistent with the clause, Federal laws, standard industry practices, and the FAR are to be incorporated into the purchase order or contract:

> (f) Subject to paragraphs (a) through (e) above, those applicable portions of the Contractor's standard commercial license or lease agreement pertaining to any computer software delivered under this purchase order/contract that are consistent with Federal laws, standard industry practices, and the Federal Acquisition Regulation (FAR) shall be incorporated into and made part of this purchase order/contract.

(h) In accordance with 18-27.405(a)(3), the contracting officer shall use the clause at 18-52.227-86, Commercial Computer Software--Licensing, in lieu of the clause at FAR 52.227-19, Commercial Computer Software--Restricted Rights, when it is considered appropriate for the acquisition of existing computer software in accordance with FAR 27.405(b)(2).

PART 18-28

BONDS AND INSURANCE

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PART 18-28
BONDS AND INSURANCE

18-28.001 Definitions.

"Protected Space Operations" means all launch vehicle activities, Space Station activities, and payload activities on Earth, in outer space, or in transit between Earth and outer space related to Space Station. It includes, but is not limited to research, design, development, test, manufacture, assembly, integration, operation, or use of launch or transfer vehicles (for example, the Orbital Maneuvering Vehicle), the Space Station, or a payload, as well as related support equipment and facilities and services; and all activities related to ground support, test, training, simulation, or guidance and control equipment and related facilities or services. The term "Protected Space Operations" also includes all activities related to evolution of the Space Station as provided for in the Space Station Intergovernmental Agreement signed on September 29, 1988. "Protected Space Operations" excludes activities on Earth which are conducted on return from the Space Station to develop further a payload's product or process for use other than for Space Station related activities.

"STS Operations" means all Space Transportation System (STS) activity, all payload activity, and all tangible personal property (including ground support, test, training, and simulation equipment) related to STS or payload activity. The term also includes research, design, development, test, manufacture, assembly, integration, transportation, or use of any materials related to the above noted activities or property, and performance of any services related to the above factors.

SUBPART 18-28.1
BONDS

18-28.101 Bid guarantees.

18-28.101-70 NASA solicitation provision.

In accordance with FAR 28.101, the contracting officer shall insert the provision at 18-52.228-73, Bid Bond, in construction solicitations where offers are expected to exceed $25,000, and a performance bond or a performance and payment bond is required. The contracting officer may increase the amount of the bid bond to protect the Government from loss, as long as the amount does not exceed $3 million. This provision may be used in other than construction procurements if the requirements of FAR 28.103 have been complied with.

18-28.102 Performance and payment bonds for construction contracts.

18-28.102-1 General.

NASA contractors that, in the course of contract performance, will acquire by subcontract construction work determined by NASA to be subject to the Miller Act, but that are not required under FAR 28.102 to furnish Miller Act bonds, shall be required to obtain performance and payment bonds from their subcontractors (see 18-28.106-1). The contracting officer shall establish the penal amount in accordance with FAR 28.102-2.

18-28.102-70 Solicitation provision.

In accordance with FAR 28.102, except as provided therein, the contracting officer shall insert a provision substantially as stated at 18-52.228-74, Payment and Performance Bonds, in construction solicitations where offers are expected to exceed $25,000. The penal amount of the performance bond may be decreased in accordance with FAR 28.102-2(a). The contracting officer may change the word "may" in the first sentence of subparagraph (a)(2) and (b)(2) to "shall" if the procurement contemplates options or additive items (see 18-36.303-70).

18-28.106 Administration.

18-28.106-1 Bonds and bond related forms.

When performance or payment bonds are required from subcontractors under NASA construction contracts (see 18-28.102-1), the bonds shall be provided on SF 25, Performance Bond, and SF 25A, Payment Bond. These forms shall be modified to name the NASA prime contractor as well as the United States of America as obligees.

18-28.106-6 Furnishing information.

(a) The contracting officer is designated, in accordance with FAR 28.106-6(c), to furnish a certified copy of the payment bond and the contract for which it was given upon receipt of an appropriate affidavit from the requestor.

(b) The contracting officer shall obtain the concurrence of the Office of Chief Counsel before releasing any documents.

SUBPART 18-28.3
INSURANCE

18-28.305 Overseas workers' compensation and war-hazard insurance.

(a) **Waiver of Defense Base Act.** Applications for waivers under FAR 28.305(d) shall be submitted to the Administrator through the Assistant Administrator for Procurement. The application shall include --

(1) The contractor's name;

(2) The contractor's business mailing address;

(3) The contract number;

(4) The date of award;

(5) The geographic location where the contract will be performed;

(6) The name of the insurance company providing the Defense Base Act coverage;

(7) The nationality of the employees to whom the waiver is to apply; and

(8) The reason for the waiver.

(b) **When the Defense Base Act is waived:**

(1) The decision under FAR 28.305(e) as to whether (i) the costs of the liability or (ii) the reasonable costs of insurance against it shall be allowed as a cost under the contract may be made by the Assistant Administrator for Procurement or by a designee.

(2) The Schedule of each contract containing the clause at 18-52.228-77, Reimbursement for War-Hazard Losses, shall contain an estimated cost for war-hazard losses, derived in accordance with (i) below, and a statement similar to that set forth in (ii) below:

(i) The estimated cost for war-hazard losses shall be based on estimates arrived at in the light of experience, taking into account the number of the contractor's employees subject to protection for war-hazard risks, the level of benefits applicable to them, their location, and the nature of the risks to which they are exposed. The amount allotted to the contract shall initially be kept as small as reasonably feasible. As reports are received indicating any need to increase the allotment to the contract, they shall be evaluated and the allotment increased as necessary. When negotiating for the inclusion in the contract of provisions applicable to war-hazard risks, the contracting officer may include provisions concerning the types of foreign nationals employed by the contractor and the level of benefits applicable to them, and other pertinent provisions relating to the manner in which the program will function to the benefit of all concerned. Advance agreements under FAR 31.109 may also be advantageous with respect to the levels of proof considered acceptable to justify the contractor's commencing payments and being reimbursed for them before the contractor is able to settle its obligation.

(ii) "The portion of this contract providing for the contractor to afford protection to its employees and subcontractors to their employees against war-hazard risks (see the clauses at 52.228-4 of the Federal Acquisition Regulation (FAR) and 18-52.228-77 of the NASA FAR Supplement) is on a cost-reimbursement, no-fee basis, notwithstanding the basis of the remainder of the contract."

18-28.307 Insurance under cost-reimbursement contracts.

18-28.307-2 Liability.

(a) In accordance with FAR 28.307-2(b)(2), the special circumstances requiring property damage liability insurance are those where (otherwise, prior approval for purchase of property damage liability insurance must be obtained from the Assistant Administrator for Procurement) --

(1) A commingling of operations permits property damage coverage at a nominal cost to NASA under insurance carried by the contractor in the course of its commercial operations; or

(2) The contractor is engaged in the handling of high explosives or in extra hazardous research and development activities undertaken in populated areas.

(b) The Government normally will assume the risk of a contractor's uninsured third-party liability to the extent provided for by the clause at FAR 52.228-7, Insurance--Liability to Third Persons.

18-28.307-70 Insurance of industrial facilities.

When industrial facilities are provided by the Government under a facilities contract or a lease, the contract or lease shall require that during the period of construction, installation, alteration, repair, or use, and at any other time as directed by the installation concerned, the contractor or lessee shall insure or otherwise provide approved security for liabilities to third persons (including employees of the contractor or lessee) in the manner and to the same extent as required in FAR 28.307-2.

18-28.309 Contract clauses for workers' compensation insurance.

The contracting officer shall insert the clause at 18-52.228-77, Reimbursement for War-Hazard Losses, in all solicitations and contracts containing the clause at FAR 52.228-4, if the Assistant Administrator for Procurement determines that the contractor shall not purchase insurance against the assumed liability to the waived employees and their beneficiaries (see 18-28.305(b)).

18-28.311 Solicitation provision and contract clause on liability insurance under cost-reimbursement contracts.

18-28.311-2 Contract clause.

18-28.311-270 NASA contract clause.

The contracting officer shall insert the clause at 18-52.228-71, Aircraft Flight Risks, in all cost-reimbursement contracts for the development, production, modification, maintenance, or overhaul of aircraft, or otherwise involving the furnishing of aircraft to the contractor, except when the aircraft are covered by a separate bailment.

18-28.370 Fixed-price contract clauses.

(a) The contracting officer shall insert the clause at 18-52.228-70, Aircraft Ground and Flight Risk, in all negotiated fixed-price contracts for the development, production, modification, maintenance, or overhaul of aircraft, or otherwise involving the furnishing of aircraft to the contractor, except as provided in paragraph (b) below, unless the aircraft are covered by a separate bailment. See the clause preface for directions for modifying the clause to accommodate various circumstances.

(b) The Government need not assume the risk of damage to, or loss or destruction of, aircraft as provided by the clause at 18-52.228-70 if the best estimate of premium costs that would be included in the contract price for insurance coverage for such damage, loss, or destruction at any plant or facility is less than $500. If it is determined not to assume this risk, the clause at 18-52.228-70 shall not be made a part of the contract, and the cost of necessary insurance to be obtained by the contractor to cover this risk shall be considered in establishing the contract price. In such cases, however, if performance of the contract is expected to involve the flight of Government-furnished aircraft, the substance of the clause at 18-52.228-71, Aircraft Flight Risks, suitably adapted for use in a fixed-price contract, shall be used.

(c) When the clause at 18-52.228-70 is used, the term "Contractor's premises" shall be expressly defined in the contract Schedule and shall be limited to places where aircraft may be located during and for the performance of the contract. Contractor's premises may include, but are not limited to, those owned or leased by the contractor or those for which the contractor has a permit, license, or other right of use either exclusively or jointly with others, including Government airfields.

18-28.371 Clause for interparty waiver of liability during STS operations.

The contracting officer shall insert the clause at 18-52.228-72, Interparty Waiver of Liability During STS Operations, in all NASA prime contracts, new-work modifications or extensions to existing contracts, and solicitations of $100,000 or more when the work is to be performed in support of STS operations (see 18-28.001). In addition, the contracting officer shall insert the clause in all contracts involving STS operations containing one of the indemnification under Public Law 85-804 clauses prescribed at 18-50.403-3. At the contracting officer's discretion, this clause may be used in contracts, new-work modifications or extensions to existing contracts, and solicitations under $100,000 involving STS operations in appropriate circumstances, such as when the value of contractor property on a Government installation used in the performance of the contract is significant.

18-28.372 Clause for minimum insurance coverage.

In accordance with FAR 28.306(b) and 28.307, the contracting officer may insert a clause substantially as stated at 18-52.228-75, Minimum Insurance Coverage, in fixed-price solicitations and contracts requiring performance on a government installation and in cost-reimbursement contracts. The contracting officer may modify the clause to require additional coverage, such as vessel liability, and higher limits if appropriate for a particular procurement.

18-28.373 Clause for cross-waiver of liability for Space Station activities.

(a) The contracting officer shall insert the clause at 18-52.228-76, Cross-Waiver of Liability for Space Station Activities, in all NASA prime contracts, new-work modifications or extensions to existing contracts, and solicitations of $100,000 or more when the work is to be performed in support of Protected Space Operations (see 18-28.001). The contracting officer shall modify all other such existing contracts of $100,000 or more as soon as practicable to include the clause.

(b) The contracting officer may insert the clause at 18-52.228-76 in contracts, new-work modifications or extensions to existing contracts and solicitations under $100,000 when the work is performed in support of Protected Space Operations. The use of the clause would be appropriate in contracts under $100,000, particularly when it is likely that such a contractor or subcontractor will have its valuable property exposed to risk of damage caused by other Space Station participants involved in Protected Space Operations.

PART 18-29

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PART 18-29
TAXES

SUBPART 18-29.1
GENERAL

18-29.101 Resolving tax problems.

(a) The Office of General Counsel (Code G) shall (1) represent NASA in all negotiations under FAR Part 29 and (2) keep the Assistant Administrator for Procurement fully informed on their status.

(b) Communications with the Department of Justice for representation or intervention in proceedings concerning taxes shall be made only by the General Counsel.

(c) Matters involving foreign taxes requiring the assistance of other executive departments shall be forwarded to the General Counsel for appropriate action.

(d) Tax problems that cannot be solved readily by reference to FAR Part 29 shall be forwarded to the General Counsel through the installation's Office of Chief Counsel. The forwarding of tax problems to the General Counsel is particularly important when --

(1) The amount of tax actually or potentially involved is substantial;

(2) The legal incidence of a tax appears to be upon the United States or its property, a specific exemption pertinent to the transaction appears to exist, or a State or local tax appears to have a direct effect upon a transaction in interstate commerce;

(3) Judicial or administrative action against a contractor is threatened;

(4) The imposition or potential imposition of a tax is the result of an amendment of a tax law or a change of position by the tax authorities; or

(5) The possibility exists of obtaining refunds of taxes previously paid.

(e) Regarding tax problems, the initiating office or intervening offices shall forward the following material to the General Counsel:

(1) A comprehensive statement of pertinent facts, including documents and correspondence.

(2) A copy of the contract.

(3) A thorough review of the legal issues involved and recommended action.

(4) If appropriate, a statement of the problem's effects on procurement policies and procedures, with recommendations.

(f) Copies of tax-related correspondence shall be sent to the Assistant Administrator for Procurement.

SUBPART 29.2
FEDERAL EXCISE TAXES

18-29.203 Other Federal tax exemptions.

(a) The Assistant Administrator for Procurement has obtained a permit from the Bureau of Alcohol, Tobacco, and Firearms (Treasury Department) enabling NASA and its contractors to purchase spirits (e.g., specially denatured spirits) tax-free for nonbeverage Government use. Installations can obtain copies of the permit from the Procurement Policy Division (Code HP) at NASA Headquarters.

(b) When purchasing spirits for use by NASA personnel, the contracting officer shall attach a copy of the permit to the contract. Upon receipt of the spirits, the permit shall be returned to the contracting officer unless future orders are anticipated.

(c) When a NASA contractor requires spirits to perform a NASA contract, the contracting officer shall furnish the contractor a copy of the permit to provide its vendor. Upon receipt of the spirits, the contractor shall return the permit to the contracting officer unless future orders are anticipated. In any event, the permit shall be returned upon completion of the contract.

(d) To comply with 26 U.S.C. 5271(g), the procurement officer shall post a copy of the permit for inspection.

PART 18-30

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PART 18-30
COST ACCOUNTING STANDARDS

SUBPART 18-30.1
GENERAL

18-30.101 Cost Accounting Standards.

(a) To ensure uniform administration of CAS requirements, NASA has determined to consider all of its contracts as "national defense" contracts for CAS purposes, whether or not they meet the definition of "national defense" in FAR 2.101.

SUBPART 18-30.2
CAS PROGRAM REQUIREMENTS

18-30.201-5 Waiver.

After the contracting officer has made the determination required by FAR 30.201-5(a), the procurement officer shall forward all requests for waiver of CAS requirements to the Assistant Administrator for Procurement (Code HC) for approval.

SUBPART 18-30.70 FACILITIES CAPITAL EMPLOYED FOR FACILITIES IN USE OR FOR FACILITIES UNDER CONSTRUCTION

18-30.7000 General.

Pending issuance of FAR coverage, the NASA Procurement Regulation (NPR) (48 CFR Chapter 18, Para. 3.1300) shall continue to govern facilities capital employed for facilities. This subpart is substantively identical to the NPR. It is reproduced here with current textual citations and updated cross-references for the user's convenience.

18-30.7001 Facilities capital employed for facilities in use.

18-30.7001-1 Policy.

It is the policy of the Government to recognize facilities capital employed as an element in establishing the price of certain negotiated defense contracts when such contracts are priced on the basis of cost analysis. The inclusion of this recognition is intended to reward contractor investments, motivate increased productivity and reduced costs through the use of modern manufacturing technology, and to generate other efficiencies in the performance of defense contracts. The recognition of contractor investments in the development of the profit objective will result in a profit objective based on a combination of effort, risk, and investment factors.

18-30.7001-2 Definitions, measurement, and allocation.

Cost Accounting Standard (CAS) No. 414, "Cost of Money as an Element of the Cost of Facilities Capital," establishes criteria for the measurement and allocation of the cost of capital committed to facilities as an element of contract cost for historical cost determination purposes. Important features of the CAS are its definitions, techniques for application, and a prescribed Form CASB-CMF with instructions. This Section adopts the techniques of CAS 414 as the approved method of measurement and allocation of facilities cost of money to overhead pools at the business unit level and adds only such supplementary procedures as are necessary to extend those techniques to contract forward pricing and administration matters. Therefore, these procedures are intended to be completely compatible with, and an extension of, the definitions, criteria, and techniques of CAS 414. Contractors who computerize their financial data are encouraged to meet the requirements of both CAS 414 and this subpart from the same data bank and programs.

18-30.7001-3 Estimating business unit facilities capital and cost of money.

The method of estimating the business unit facilities capital and cost of money utilizes the techniques of CAS 414. Cost of money factors (CMF) by overhead pools at the business unit are developed using Form CASB-CMF. Three elements are required to develop cost of money overhead allocation base date, and the interest rate promulgated by the Secretary of the Treasury pursuant to Public Law 92-41. These elements are discussed below.

(a) **Business unit facilities capital data.**

(1) The net book value (acquisition cost less accumulated depreciation) is used for each cost accounting period. The net book value used is the total of (i) the net book value of facilities recorded on the accounting records of the

business unit, (ii) the capitalized value of leases (see FAR 31.205-2 and FAR 31.205-36), and (iii) the net book value of facilities at the corporate or group level that support depreciation charges allocated to the business unit under the provisions of CAS 403.

(2) Projections of facilities capital will be supported by budget plans and/or similar type documentation and the estimated depreciation will be the same as used in projected overhead rates. Projections will accommodate changes in the level of facilities net book value, e.g., facilities additions, deletions of facilities by sale, abandonment or other disposal, idle facilities (see FAR 31.205-17).

(b) **Overhead allocation bases.** The base data used to compute the CMF must be the same as that used to compute the proposed overhead rates. CMFs should be submitted and evaluated as part of the proposal.

(c) **Interest rate.** For purpose of projection, the most recent interest rate promulgated by the Secretary of the Treasury will be used as the cost of money rate in Column 1 of Form CASB-CMF and the same rate must be used on the DD Form 1861 to determine contract facilities capital employed. Where actual costs are used in definitization actions, the actual treasury rate(s) applicable to the period(s) of the incurred costs will be recognized by development of a composite rate.

(d) **Determination of final cost of money.** CMFs estimated following the above procedures are used to develop the facilities investment base used in forward pricing. Actual CMFs are required when it is necessary to determine final allowable costs for cost settlement and/or repricing following CAS 414 and FAR 31.205-10.

18-30.7001-4 Contract facilities capital estimates.

(a) After the appropriate Forms CASB-CMF have been analyzed and CMFs have been developed, the contracting officer is in a position to estimate the facilities capital cost of money and capital employed for a contract proposal. DD Form 1861 "Contract Facilities Capital and Cost of Money" has been provided for this purpose and, when properly completed, becomes a connecting link between the Forms CASB-CMF and any applicable agency structured approach to determination of profit or fee objectives. An evaluated contract cost breakdown reduced to the contracting officer's pre-negotiation cost objective must be available. The procedure is similar to applying overhead rates to appropriate overhead allocation bases to determine contract overhead costs.

(b) DD Form 1861 provides for listing overhead pools and direct-charging service centers (if used) in the same structure they appear on the contractor's cost proposal and Forms CASB-CMF. The structure and allocation base units-of-measure must be compatible on all three displays. The base for each overhead pool must be broken down by year to match each separate Form CASB-CMF. Appropriate contract overhead allocation base data are extracted by year from the evaluated cost breakdown or pre-negotiation cost objective, and are listed against each separate Form CASB-CMF. Each allocation base is multiplied by its corresponding cost of money factor, to get the Facilities Capital Cost of Money estimated to be incurred each year. The sum of these products represents the estimated Contract Facilities Capital Cost of Money for the Year's effort. Total contract facilities cost of money is the sum of the yearly amounts.

(c) Since the Facilities Capital Cost of Money Factors reflect the applicable cost

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of money rate in Column 1 of Form CASB-CMF, the Contract Facilities Capital Employed can be determined by dividing the contract Cost of Money by the same rate. DD Form 1861 is designed to record and compute all the above in the most direct way possible, and the end result is the Contract Facilities Capital Cost of Money and Capital Employed which is carried forward to the applicable agency structured approach to determination of profit or fee objectives.

18-30.7001-5 Pre-award facilities capital applications.

Facilities Capital Cost of Money as determined above is applied in establishing cost and price objectives as follows:

(a) Cost of money.

(1) **Cost objective.** This special, imputed cost of money shall be used, together with normal, booked costs, in establishing a cost objective or the target cost when structuring an incentive type contract. Target costs thus established at the outset, shall not be adjusted as actual cost of money rates become available for the periods during which contract performance takes place.

(2) **Profit objective.** Cost of Money shall not be included as part of the cost base when measuring the contractor's effort in connection with establishing a pre-negotiation profit objective. The cost base for this purpose shall be restricted to normal, booked costs.

(b) **Facilities capital employed.** The profit objective as it relates to the risk associated with facilities capital employed shall be assessed and weighted in accordance with agency profit guidelines.

18-30.7001-6 Post-award facilities capital applications.

(a) **Interim billings based on costs incurred.** Contract Facilities Capital Cost of Money may be included in cost reimbursement and progress payment invoices. The amount that qualifies as cost incurred for purposes of the Allowable Cost and Payment or Progress Payment clause of the contract is the result of multiplying the incurred portions of the overhead pool allocation bases by the latest available Cost of Money Factors. Like applied overhead at forecasted overhead rates, such computations are interim estimates subject to adjustment. As each year's data are finalized by computation of the actual Cost of Money Factors under CAS 414 and FAR 31.205-10, the new factors should be used to calculate contract facilities cost of money for the next accounting period.

(b) **Final settlement.** Contract Facilities Capital Cost of Money for final cost determination or repricing is based on each year's final Cost of Money Factors determined under CAS 414 and supported by separate Form CASB-CMF. Contract cost must be separately computed in a manner similar to yearly final overhead rates. Also like overhead costs, the final settlement will include an adjustment from interim to final contract cost of money. However, estimated or target cost will not be adjusted.

18-30.7001-7 Administrative procedures.

(a) Contractor submission of Form CASB-CMF will normally be initiated under the same circumstances as Forward Pricing Rate Agreements (FPRAs) (see FAR 15.809), and evaluated as complementary documents and procedures. Separate Forms are required for each procedures. Separate Forms are required for each prospective cost accounting period during which Government contract performance is anticipated. If the contractor does not annually negotiate FPRAs, submissions may nevertheless be made annually or with individual contract pricing proposals, as agreed to by the contractor and the cognizant contract administration office. The cognizant contract administration office shall, with the assistance of the cognizant auditor, evaluate the cost of money factors, and retain approved factors with other negotiated forward pricing data and rates.

(b) The contracting officer will complete a DD Form 1861, Contract Facilities Capital and Cost of Money, after evaluating the contractor's cost proposal and determining the pre-negotiation cost objective, but before determining the pre-negotiation profit objective. The contracting officer may request the cognizant contract administration office to complete the DD Form 1861 in connection with normal field pricing support under FAR 15.805-5, and include it in field pricing support report with appropriate evaluation comments and recommendations.

(c) A final Form CASB-CMF must be submitted by the contractor under CAS 414 as soon after the end of each cost accounting period as possible, for the purpose of final cost determinations and/or repricing. The submission should accompany the contractor's proposal for actual overhead costs and rates, and be evaluated as complementary documents and procedures.

18-30.7002 Facilities capital employed for facilities under construction.

18-30.7002-1 Policy.

It is Government policy to recognize a contractor's investment in capital facilities while these are being constructed, fabricated, or developed for the contractor's own use. This recognition is made through the allowance of an imputed cost of money amount which is (a) calculated in accordance with 18-30.7002-3, (b) capitalized along with the other costs of the asset for which the investment is made, and (c) allocated to contracts following 18-30.7002-4.

18-30.7002-2 Definitions.

The following definitions have been taken or developed from Cost Accounting Standard (CAS) 417, Cost of Money as an Element of the Cost of Capital Assets Under Construction.

(a) **Intangible capital asset.** An asset that has no physical substance, has more than minimal value, and is expected to be held by an enterprise for continued use or possession beyond the current accounting period for the benefit it yields.

(b) **Tangible capital asset.** An asset that has physical substance, more than minimal value, and is expected to be held by an enterprise for continued use or possession beyond the current accounting period for the service it yields.

(c) **Cost of money rate.** The cost of money rate is either the interest rate determined by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat 97), or the time-weighted average of such rates for each cost accounting period during which the asset is being constructed, fabricated, or developed. The time-weighted average interest rate is calculated by multiplying the various rates in effect during the months of construction by the number of months each rate was in effect. The sum of the products is divided by the total number of months in which the rates were experienced.

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(d) **Representative investment.** The representative investment is the calculate amount considered invested by the contractor in the project to construct, fabricate, or develop the asset during the cost accounting period. In calculating the representative investment, consideration must be given to the rate or expenditure pattern of the investment, i.e., if most of the investment was at the end of the cost accounting period, the representative investment calculation must reflect this fact.

(1) If the contractor experiences an irregular or uneven expenditure pattern in the construction, fabrication, or development of a capital asset, i.e., a majority of the construction costs were incurred toward the beginning, middle, or end of the cost accounting period, the contractor must either:

(i) Determine a representative investment amount for the cost accounting period by calculating the average of the month-end balances for that cost accounting period; or

(ii) Treat month-end balances as individual representative investment amounts.

(2) If the construction, fabrication, or development costs were incurred in a fairly uniform expenditure pattern throughout the construction period, the contractor may:

(i) Determine a representative investment amount for the cost accounting period by averaging the beginning and ending balances of the construction, fabrication, or development cost account for the cost accounting period; or

(ii) Treat month-end balances as individual representative investment amounts.

18-30.7002-3 Measurement.

(a) The imputed cost of money for an asset under construction, fabrication, or development is calculated by applying a cost of money rate (see 18-30.7002-2(c)), to the representative investment amount (see 18-30.7002-2(d)).

(1) When a representative investment amount is determined for a cost accounting period following 18-30.7002-2(d)(1)(i) or 18-30.7002-2(d)(2)(i), the cost of money rate used shall be the time-weighted average rate.

(2) When a monthly representative investment amount (see 18-30.7002-2(d)(1)(ii) or 18-30.7002-2(d)(ii)) is used, the cost of money rate shall be the rate in effect each month. (Note: Under this method, the cost of money calculating is made monthly and the total for the cost accounting period is the sum of the monthly calculations.)

(b) The method chosen by a contractor for determining the representative investment amount may be different for each capital asset being constructed, fabricated, or developed as long as the method fits the expenditure pattern of the construction costs incurred.

(c) The imputed cost of money will be capitalized only once in any cost accounting period; either at the end of the period or at the end of the construction period, whichever comes first.

(d) When the construction of an asset takes more than one cost accounting period, the cost of money capitalized for the first cost accounting period will be included in determining the representative investment amount for any future cost accounting periods.

18-30.7002-4 Composition and allocation of costs.

(a) The cost of money for a tangible capital asset determined following 18-30.7002-2 and 18-30.7002-3 shall be capitalized along with the other construction, fabrication, or development cost of that asset for purposes of depreciation under FAR 31.205-11.

(b) The cost of money for an intangible capital asset determined following 18-30.7002-2 and 18-30.7002-3 shall be capitalized along with other construction, fabrication, or development costs of that asset and amortized over appropriate cost accounting periods.

(c) Where CAS 414 of money is allocated to construction, fabrication, or development effort following 18-30.7001, it will be recognized and considered an element of total construction costs and be included in all calculations of the assets representative investment amount.

18-30.7002-5 Limitations.

If substantially all activities necessary to get an asset ready for its intended use are discontinued, cost of money shall not be capitalized for the period of discontinuance, except when such discontinuance arises out of causes beyond the control and without the fault or negligence of the contractor.

18-30.7002-6 Pre-award capital employed application.

An offset to the profit objectives is not required for CAS 417 cost of money.

PART 18-31

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PART 18-31
CONTRACT COST PRINCIPLES AND PROCEDURES

SUBPART 18-31.1
APPLICABILITY

18-31.101 Objectives.

Requests for individual deviations from FAR cost principles under FAR 31.101 shall be forwarded for the approval of the Assistant Administrator for Procurement through the Director, Contract Pricing and Finance Division (Code HC).

SUBPART 18-31.2 CONTRACTS WITH COMMERCIAL ORGANIZATIONS

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PART 18-32

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SUBPART 18-32.5
PROGRESS PAYMENTS BASED ON COSTS

18-32.501 General.

18-32.501-2 Unusual progress payments.

Requests for unusual progress payments must have the specific approval of the Assistant Administrator for Procurement, with the concurrence of the Director, Financial Management Division (Code BF).

18-32.502 Pre-award matters.

18-32.502-2 Contract finance office clearance.

The approving authority for the actions specified in FAR 32.502-2 is the Assistant Administrator for Procurement. Any such approvals should be coordinated with the Director, Financial Management Division.

18-32.502-4 Contract clauses.

18-32.502-470 NASA contract clause.

The contracting officer may insert a clause substantially as stated at 18-52.232-82, Submission of Requests for Progress Payments, in fixed-price solicitations and contracts that provide for progress payments. The recipient of the requests may be changed if this function is delegated. The number of copies of the request may be changed if necessary to meet a substantial need.

18-32.503 Post-award matters.

18-32.503-3 Initiation of progress payments and review of accounting system.

In connection with the situations mentioned in FAR 32.503-3(b), the Financial Management Officer shall be notified.

18-32.504 Subcontracts.

The Government approval mentioned in FAR 32.504(c) shall be as specified in 18-32.502-2 above.

PART 18-32
CONTRACT FINANCING

SUBPART 18-32.1
GENERAL

18-32.111 Contract clauses.

18-32.111-70 NASA contract clause.

The contracting officer shall insert the clause at 18-52.232-79, Payment for On-Site Preparatory Costs, in solicitations and contracts for construction on a fixed-price basis when progress payments are contemplated and pro rata payment of on-site preparatory costs to the contractor is appropriate.

18-32.170 Voluntary refunds.

(a) **General.** A voluntary refund is a payment or credit, not required by any contractual or other legal obligation, made to the Government by a contractor or subcontractor either as a payment or as an adjustment under one or more contracts or subcontracts. It may be unsolicited or may be made in response to a Government request. If it is desired to solicit a refund from a subcontractor, the prime contractor should be encouraged to facilitate the making of such refund. In deciding whether or not to solicit a refund or accept an unsolicited refund, the contracting officer shall ask legal counsel to review the contract or contracts and all relevant data to determine whether the Government's rights would be jeopardized or impaired by the contracting officer's proposed action.

(b) **Solicited refunds.** Voluntary refunds may be requested during or after contract performance. They shall be requested only when it is considered that the Government has been overcharged under a contract or inadequately compensated for the use of Government-owned property or in the disposition of contractor inventory, and retention by the contractor or subcontractor of the amount in question would be contrary to good conscience and equity. Generally, retention by the contractor or subcontractor shall not be considered contrary to good conscience and equity, and thus a refund shall not be requested, unless the overcharge or inadequate compensation was due, at least in part, to the fault of the contractor or subcontractor. The decision to solicit a refund shall be made by the Deputy Administrator or a designee after coordination with the Assistant Administrator for Procurement.

(c) **Disposition of voluntary refunds.**

(1) If a voluntary refund is offered before final payment, it is preferable that the contract price be appropriately modified to reflect the refund. In such a case, the amount of the refund shall be credited to the applicable appropriation cited in the contract.

(2) When the refund is made by check rather than by adjusting the contract price, the check shall be made payable to the National Aeronautics and Space Administration and shall be forwarded immediately to the Financial Management Office of the appropriate installation. When forwarded, the check shall be accompanied by a letter identifying it as a voluntary refund, giving the number of the contract or contracts involved and, if possible, the account number of the appropriation to which the refund should be credited.

SUBPART 18-32.4
ADVANCE PAYMENTS

18-32.402 General.

Determinations and findings in support of advance payments for nonprofit organizations or educational institutions as authorized by the Armed Services Procurement Act of 1947, as amended (10 U.S.C. 2307(c) and 2310(b)), shall be prepared in accordance with 18-32.410. The lowest level of authority at which these determinations and findings shall be made is:

(a) **The Assistant Administrator for Procurement**, for advance payments --

(1) Greater than $25,000,000 for a single action or in the aggregate for a single contract (these payments are also subject to the appropriate 60-day notification to Congress in accordance with 10 U.S.C. 2307(d));

(2) In any amount to a foreign entity; or

(3) In any amount when the organization will receive a fee for the effort involved.

(b) **The procurement officer**, for advance payments of $25,000,000 or less (other than to a foreign entity or an organization that will receive a fee), provided the action has been coordinated with the installation's Financial Management Officer.

(c) **The contracting officer**, for increases in the advance payment amount initially authorized by the procurement officer under paragraph (b) above, through any modification, supplemental agreement, or extension to an existing contract, provided (1) the contracting officer has coordinated the action with the installation's Financial Management Officer and (2) the increase is not greater than the procurement officer's initial amount and, when aggregated with the procurement officer's initial amount and all previous increases, is not greater than $25,000,000.

18-32.406 Letters of credit.

For the purposes of FAR 32.406(b)(1), each installation is considered a contracting agency.

18-32.406-70 Federal Cash Transactions Report.

The report required by paragraph (m) of the clause at FAR 52.232-12, Advance Payments, shall be submitted on Standard Form 272, Federal Cash Transactions Report, and, if appropriate, Standard Form 272-A, Federal Cash Transactions Report Continuation.

18-32.407 Interest.

Advance payments without interest are hereby authorized, pursuant to FAR 32.407(d)(1).

18-32.410 Findings, determination, and authorization.

18-32.410-70 Instructions for determinations and findings.

(a) Requests for Headquarters approval of advance payment provisions in accordance with 18-32.402 shall be prepared in final form (original and one official file copy) and forwarded to the Assistant Administrator for Procurement, (Code HC). They should include (1) the name of the cognizant NASA Headquarters program or staff office; (2) a copy of the justification for other than full and open competition, if any; (3) if a fee is contemplated, the estimated cost, the amount and percent of fee, the total cost and fee, and the factors considered in determining the fee (see Subpart 18-15.9); and (4) the name and phone number of the contracting officer or negotiator.

(b) Modifications to adapt to special facts and circumstances are permitted, provided they do not conflict with the statutory requirements of 10 U.S.C. 2307 or other authority cited.

(c) 10 U.S.C. 2307 is normally the statutory authority cited for authorizing advance payments. When appropriate, advance payments may also be authorized under 42 U.S.C. 2473(c)(5) or under Public Law 85-804 as implemented by Executive Order 10789 (see FAR Part 50).

(d) Generally, the format in FAR 32.410 should be used, tailored as follows:

(1) In the second sentence of format subparagraph (a)(4), delete the reference to a special bank account.

(2) Use format subparagraph (a)(6), not (a)(7) or (a)(8).

(3) At the end of format paragraph (b), use "is in the public interest."

18-32.412 Contract clause.

The contracting officer, in consultation with the General Counsel, may require special security provisions if appropriate in particular cases. For example, the clause at 18-52.232-75, Security for Advance Payments, may be included in solicitations and contracts with nonprofit organizations or educational institutions that include the clause at FAR 52.232-12, Advance Payments.

SUBPART 18-32.7
CONTRACT FUNDING

18-32.702 Policy.

18-32.702-70 NASA policy.

(a) Cost-reimbursement contracts may be incrementally funded only if all the following conditions are met (except that, for cost-reimbursement R&D contracts under which no supplies are deliverable, only the condition in subparagraph (3) below applies):

(1) The total value of the contract (including options as defined in FAR Subpart 17.2) is $1,000,000 or more.

(2) The period of performance under the contract is in excess of twelve months or overlaps the succeeding fiscal year.

(3) Funds are not available to fund the total contract value fully at the time of entering into the contract.

(b) Fixed-price contracts, other than those for research and development, shall not be incrementally funded.

(c) (1) Fixed-price contracts for research and development may be incrementally funded only if --

(i) The total fixed price of the contract (including options as defined in FAR Subpart 17.2) is $1,000,000 or more;

(ii) The period of performance under the contract is in excess of twelve months or overlaps the succeeding fiscal year;

(iii) Funds are not available to fund the total fixed price of the contract at the time of entering into the contract; and

(iv) Initial funding of the contract is not less than 50 percent of the total fixed price.

(2) Notwithstanding the grant of authority to fund contracts incrementally under the circumstances in subparagraph (1) above, fixed-price contracts shall be fully funded whenever possible, and incremental funding of such contracts shall be kept to an absolute minimum.

18-32.704 Limitation of cost or funds.

(a) When a contract contains the clause at 18-52.232-77, Limitation of Funds (Fixed-Price Contract), the procedures in FAR 32.704 are applicable.

(b) (1) It is not necessary, although it is not prohibited, to have separate financial/accounting data for cost and fee. The breakdown is required only in the clause at 18-52.232-81.

(2) The amount obligated for fee should always be at least sufficient to pay fee anticipated to be earned by the contractor for the work to which the amount allotted for the estimated cost applies.

18-32.705 Contract clauses.

18-32.705-2 Clauses for limitation of cost or funds.

As authorized by FAR 52.232-22, the contracting officer shall substitute "Contract Funding clause" for "Schedule," wherever that word appears in the clause at FAR 52.232-22.

18-32.705-270 Additional clauses for limitation of cost or funds.

(a) The contracting officer shall insert the clause at 18-52.232-77, Limitation of Funds (Fixed-Price Contract), in fixed-price incrementally funded contracts for research and development and in solicitations for these contracts.

(b) The contracting officer shall insert the clause at 18-52.232-80, Date of Incurrence of Costs, in cost-reimbursement contracts for which specific coverage of precontract costs is authorized under FAR 31.205-32.

(c) The contracting officer shall insert a clause substantially as stated at 18-52.232-81, Contract Funding, in solicitations and contracts containing the clause at FAR 52.232-22, Limitation of Funds. Insert the amounts of funds available for payment, the items covered, and the applicable period of performance. The contracting officer may add additional funding information (such as a summary of old amounts, amount(s) added in contract modifications, and new totals) as appropriate for the particular procurement.

SUBPART 18-32.9
PROMPT PAYMENT

18-32.908 Contract clause.

When the clause at FAR 52.232-25 is used, it shall be used with its Alternate II as authorized by FAR 32.908(c)), modified by deleting the words "and contract number" from subparagraph (c)(4). The following paragraph shall be inserted in Alternate II as (c)(2)(iv) in lieu of the FAR paragraph at that location:

> (iv) The Contractor shall submit a TFS Form 3881 to the installation awarding this contract. If a TFS Form 3881 previously submitted to the installation awarding this contract is still valid, resubmittal is not necessary, unless requested by NASA.

PART 18-33

PROTESTS, DISPUTES, AND APPEALS

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PART 18-33
PROTESTS, DISPUTES, AND APPEALS

SUBPART 18-33.1
PROTESTS

18-33.103 Protests to the agency.

(a) Immediately upon learning that a protest has been filed, the contracting officer shall notify the Headquarters Procurement Policy Division (Code HP). If the protest is filed directly with an installation, any determination under FAR 33.103(a) to award the contract before the protest is resolved will be made by the contracting officer. If the protest is filed with NASA Headquarters, any such determination will be made by the Assistant Administrator for Procurement.

(b) When a protest is filed directly with an installation or with NASA Headquarters, the contracting officer shall provide any notice under FAR 33.103(b)(1) to offerors whose offers might become eligible for award.

(c) For protests filed with NASA Headquarters, the contracting officer shall forward to the Procurement Policy Division (Code HP) within 10 work days a report essentially the same as that required by FAR 33.104(a)(3).

18-33.104 Protests to GAO.

(a) **General.**

(1) NASA personnel shall take no action to respond to or resolve any protest filed with GAO other than in accordance with this Regulation.

(2) Upon receiving any communication from a protester or the GAO regarding a protest, the cognizant procurement officer shall immediately contact Code HP for guidance. Conversely, upon Headquarters receipt of notice from GAO of the filing of a protest, Code HP shall immediately notify the cognizant procurement officer. This is usually done via telephone and constitutes the official notice to the installation that a protest has been filed. Within three work days of being notified, the contracting officer shall forward to Headquarters (Code HP) a copy of the procurement file including all documents referred to in FAR 33.104(a)(3)(i) through (v) and any others requested by Code HP. The contracting officer's statement (FAR 33.104(a)(3)(vi)) shall be forwarded no later than ten work days after the contracting officer has been notified. The Contracting Officer's Statement shall receive the concurrence of the installation Chief Counsel. If more time is needed, requests for extension may be made by telephone to Headquarters, Code HP. When the GAO elects to use its express option procedure, the contracting officer's statement shall be forwarded to Code HP within six work days after the contracting officer has been notified. If that is not possible, a report to Code HP shall be made by telephone.

(3) The notices required by FAR 33.104(a)(4) shall be made by the contracting officer.

(4) The report required by FAR 33.104(a)(5) shall be filed by Headquarters (Code HP).

(5) Headquarters (Code HP) shall furnish copies of the report as required by FAR 33.104(a)(6) and, in consultation with the Office of General Counsel, decide which documents are relevant.

(6) Headquarters (Code HP) shall provide the information required by FAR 33.104(a)(7) to the GAO.

(b) **Protests before award.**

(1) The contracting officer shall provide Headquarters (Code HP) with

information and recommendations relevant to a determination under FAR 33.104(b)(1) to award a contract prior to resolution of a protest. Any such determination shall be made by the Assistant Administrator for Procurement, who for purposes of this requirement is the "head of the contracting activity." The notification to GAO required by FAR 33.104(b)(2) will be made by Code HP.

(2) The contracting officer shall make the notifications and requests required by FAR 33.104(b)(3).

(c) **Protests after award.**

(1) Any request for a determination under FAR 33.104(c)(2) to authorize performance notwithstanding a protest shall be submitted to Headquarters (Code HP). Any such determination shall be made by the Assistant Administrator for Procurement who, for purposes of this requirement, is the "head of the contracting activity." The notification to GAO required by FAR 33.104(c)(3) shall be made by Code HP.

(2) Under FAR 33.104(c)(4), the contracting officer shall consult with Headquarters (Code HP) before terminating a protested contract. If FAR 33.104(c)(5) applies, the contracting officer shall consult with Code HP before taking any action.

(d) **Document requests.** If the protester in its protest statement or later in the process requests documents under FAR 33.104(a)(2), the contracting officer shall forward them to Code HP with the documents required by FAR 33.104(a)(3), within three work days of receipt of the request. Concurrently, the contracting officer shall within 1 work day provide copies of the protest statement, the document request if separate from the protest statement, and the requested documents to the installation Chief Counsel who will prepare a proposed response on the release of the documents. This proposed response will be provided to the contracting officer with copies to Headquarters (Code HP) and the Associate General Counsel for Contracts (Code GK) suitable for incorporation into the Administrative Report.

(e) **Conferences.** Representatives from Code HP and Code GK, and those installation representatives designated by Code HP or requested by the GAO will attend conferences held in accordance with FAR 33.104(e).

18-33.105 Protests to GSBCA.

(a) The installation's Office of Chief Counsel shall, in consultation with the Associate General Counsel for Contracts, (Code GK) and the Assistant Administrator for Procurement, represent the agency in protests filed with the GSBCA. The cognizant Chief Counsel is responsible for taking or otherwise ensuring the taking of all actions required by FAR 33.105 and the GSBCA Rules of Procedure.

(b) Upon receiving notice from a non-NASA source of a protest filed with the GSBCA, the receiving office shall immediately notify the cognizant Chief Counsel, who shall further notify the Assistant Administrator for Procurement (Code H), the Associate General Counsel for Contracts (Code GK), and the procurement officer.

(c) The contracting officer is responsible for preparing the protest file required by FAR 33.105(b) and otherwise assisting counsel.

(d) The determination and findings required by FAR 33.105(d)(2) shall be (1) prepared and executed by the director or assistant director of the cognizant technical directorate, the cognizant program/project manager, or cognizant staff official reporting directly to the head of the installation and (2) forwarded to the Assistant Administrator for Procurement (Code H) for concurrence.

SUBPART 18-33.2
DISPUTES AND APPEALS

18-33.209 Suspected fraudulent claims.

The contracting officer shall report suspected fraudulent claims to the Office of Inspector General (Code W) and the Office of General Counsel (Code G).

18-33.211 Contracting officer's decision.

Contracting officers shall alter the paragraph at FAR 33.211(a)(4)(v) to (a) include the address of the NASA Board of Contract Appeals, Code NC, Room 5065, 400 Maryland Avenue, S.W., Washington, DC 20546 and (b) reference the Board's small claims procedure for claims of $10,000 or less and the accelerated procedure for claims of $50,000 or less.

18-33.211-70 Contracts awarded before March 1, 1979.

Under contracts awarded before the effective date of the Contract Disputes Act of 1978 (March 1, 1979), the contractor may elect to proceed either under the Act or under the Disputes clause in the contract. Therefore, when final decision letters regarding disputes under contracts awarded before that date are prepared, the paragraph in FAR 33.211(a)(4)(v) should be revised to read as follows:

> This is the final decision of the contracting officer. Since your contract was awarded before the effective date of the Contract Disputes Act of 1978 (March 1, 1979), you may appeal this decision by following the procedures of either --
>
> (a) The Disputes clause at Federal Acquisition Regulation 52.233-1; or
>
> (b) The Disputes clause (dated September 1962) in your contract.
>
> If you decide to appeal under Procedure (a), the current Disputes clause, you must (1) mail or otherwise furnish written notice to the NASA Board of Contract Appeals, Code NC, Room 5065, 400 Maryland Avenue, S.W., Washington, DC 20546 within 90 days after receiving this decision and (2) furnish a copy of the notice to the contracting officer from whose decision the appeal is taken. The notice shall indicate that an appeal is intended and should reference this decision and identify the contract by number. For appeals under this clause you may elect to proceed under the NASA Board of Contract Appeals' small claims procedure (for claims of $10,000 or less) or its accelerated procedure (for claims of $50,000 or less). In lieu of appealing to the NASA Board of Contract Appeals, you may bring an action directly in the U.S. Claims Court within 12 months after receiving this decision.
>
> If you decide to appeal under Procedure (b), the Disputes clause of your contract you must mail or otherwise furnish to the contracting officer, within 36 days after receipt of this decision, a written appeal or notice addressed to the Administrator of NASA or the Board of Contract Appeals, indicating that an appeal is intended, referencing this decision, and identifying the contract by number. For appeals filed under this clause, you may elect to proceed under the NASA Board of Contract Appeals' optional

accelerated procedure (for claims of $25,000 or less). The NASA Board of Contract Appeals is the authorized representative of the Administrator for hearing and determining disputes.

For additional information, see the procedures of the NASA Board of Contract Appeals, which appear in Part 14, Code of Federal Regulations, Section 1241. The Board will mail you a copy of its procedures if you file an appeal from this decision in timely fashion.

18-33.214 Contract clause.

The contracting officer shall use Alternate I the clause at FAR 52.233-1, Disputes, whenever continued performance is vital to national security, the public health and welfare, important agency programs, or other essential supplies or services whose timely reprocurement from other sources would be impracticable.

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PART 18-34
MAJOR SYSTEM ACQUISITION

18-34.002 Policy.

NASA's implementation of OMB Circular No. A-109 and FAR Part 34 is contained in NMI 7100.14, Major System Acquisitions.

18-34.005-1 Competition.

(a) In procurements subject to the provisions of OMB Circular No. A-109, Major Systems Acquisitions, and NASA Management Instruction 7100.14, or other similar phased-type procurements, it is NASA policy to ensure competition in the selection of contractors for award. Phase B usually covers the exploration of design concepts while Phase C/D deals with developing and fabricating equipment in accordance with designs that have proven acceptable. In such procurements, where Phase B is subject to full and open competition and all offerors are made aware that a continuous process of "down-selection" will be used, then the subsequent C/D solicitation and award are considered to be a continuum of the initial competition (Phase B) and the entire process is considered full and open competition. To this end, Phase B should be synopsized in accordance with FAR 5.201 and solicit all known potential sources to explore design concepts. In addition to the other information required by FAR 5.207, the synopsis should state that the subsequent solicitation for Phase C/D will build on the design concepts selected in Phase B and that NASA intends to solicit offers on that procurement only from those firms which were successful in Phase B. The Phase B RFP should also include this statement.

(b) Solicitations must be issued for Phase C/D and a source selection accomplished, unless an appropriate Justification for Other Than Full and Open Competition has been approved; "technical" down-selection from Phase B to Phase C/D without the issuance of a Phase C/D solicitation is not appropriate. Solicitations for Phase C/D should be limited to those firms which successfully completed Phase B or to those which can otherwise demonstrate that they meet the design requirements of Phase B. Procurements for Phase C/D must be properly synopsized, and state that it is the second phase of a phased procurement and that the Phase C/D solicitation is being issued to the offerors who successfully completed the Phase B design requirements, and identify the firms which are being solicited for Phase C/D. The synopsis must also state that any other potential offeror for Phase C/D must meet the Phase B requirement. If a prospective offeror, other than a successful contractor in Phase B, responds to the synopsis, the contracting officer shall allow the offeror to compete, but caution the interested firm that any product offered must satisfy the requirement for an equivalent mature design concept acceptable to NASA delineated in Phase B.

(c) Phased procurements which meet the conditions in (a) and (b) above are considered to be full and open competition. If only one contractor successfully completed Phase B and, after soliciting offers from more than one source, no other potential offeror responded to the solicitation for Phase C/D, the award shall be reported as a "noncompetitive procurement using competitive procedures" (see 18-4.671-4(m)).

(d) When the conditions in (a) and (b) above can not be met or where NASA chooses to develop an independent design after Phase B products have been evaluated, the procurement should proceed on the basis of full and open competition unless circumstances justify using one of the exceptions set forth in FAR 6.302 or one of the exclusions under FAR Subpart 6.2. In any event, the synopsis requirements of FAR 5.201 apply. (For this purpose, an "independent design" can be: (1) a synthesis of the Phase B products; (2) a totally new design developed by NASA; or (3) a combination thereof.)

PART 18-35

RESEARCH AND DEVELOPMENT CONTRACTING

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PART 18-35
RESEARCH AND DEVELOPMENT CONTRACTING

18-35.003 Policy.

(a) See NHB 5800.1, NASA Grant and Cooperative Agreement Handbook, for policy regarding the use of grants and cooperative agreements.

(b) See 18-16.303 for NASA policy regarding cost sharing.

(c) See NMI 5109.13, Recoupment Policy for the Use of NASA Technology, for NASA policy regarding recoupment.

18-35.003-70 Scientific and Technical Information Service.

NASA encourages contractors to use scientific and technical information in the possession of the agency in direct support of all NASA contracts involving research and development work (42 U.S.C. 2473). This information includes past and current reports on research, development, test, and evaluation. Certain information (e.g., Scientific and Technical Aerospace Reports (STAR)) announcing current publications covering aeronautics, space, and supporting disciplines is available to contractors free of charge; contractors may be charged for other types of information (e.g., automatic distribution of reports on a specific subject) or services (e.g., searches of the NASA data base or on-line access to the NASA data base through NASA/RECON). To be provided scientific and technical information in a timely manner, the contractor must furnish NASA the information specified in the clause at 18-52.235-70, Scientific and Technical Information Service.

18-35.003-71 Plan for New Technology Reporting.

(a) NASA's policy is to obtain prompt reporting of any invention, discovery, improvement, or innovation (i.e., items of new technology, whether or not patentable) made in the performance of NASA contracts to provide for its widest practical and appropriate dissemination. The clause at 18-52.227-70, New Technology, is included in certain NASA contracts (see 18-27.373(b)) to ensure the prompt reporting of such inventions, discoveries, improvements, and innovations.

(b) When the contracting officer wants to ensure that offerors adequately understand the new technology reporting requirements in solicitations that include the clause at 18-52.227-70, New Technology, the contracting officer may include the provision at 18-52.235-72, Plan for New Technology Reporting. The provision requires offerors to provide (1) estimates of cost and manpower requirements to perform new technology reporting and (2), if selected for negotiation, a detailed plan for such reporting.

18-35.014 Government property and title.

For items having an acquisition cost of more than $5,000, the determination at FAR 35.014(b)(2)(iii) that vesting title in the contractor would not further the objectives of NASA's research program must be approved at a level higher than the contracting officer.

18-35.015 Contracts for research with educational institutions and nonprofit organizations.

(a) In addition to the requirements of FAR 35.015(a)(1)(iv), the institution must obtain the contracting officer's approval when it plans to continue the research work during a continuous period in excess of three months without the participation of an approved principal investigator or project leader.

(b) For NASA policy regarding advance payments under contracts with educational institutions, see Subpart 18-32.4.

18-35.016 Broad agency announcements.

(a) The following forms of broad agency announcements are authorized for use:

(1) Announcements of Opportunity, described in Subpart 18-70.1, NASA Acquisition of Investigations System.

(2) NASA Research Announcements, described in 18-35.016-70.

(3) Other forms of announcements approved by the Assistant Administrator for Procurement.

(b) Broad agency announcements may not preclude the participation of any offeror capable of satisfying the Government's needs unless a justification for other than full and open competition is approved under FAR 6.304 (see FAR 6.102(d)(2) and 35.001).

(c) Other program announcements, notices, and letters not authorized by paragraph (a) above shall not be used to solicit proposals that may result in contracts.

18-35.016-70 NASA Research Announcements.

(a) **Scope.** This subsection 18-35.016-70 prescribes regulations and procedures for the use of a NASA Research Announcement (NRA), a form of broad agency announcement (see FAR 6.102(d)(2)). An NRA is used to announce NASA's research interests and, after peer or scientific review using factors in the NRA, select proposals for funding. Unlike an RFP containing a statement of work or specification to which offerors are to respond, an NRA provides for the submission of competitive project ideas, conceived by the offerors, in one or more program areas of interest to NASA. The NRA is intended to be used for those research procurements for which it would be impossible to draft an adequate RFP in sufficient detail without restraining the technical response and thus hindering the competition of ideas, rather than expanding competition. Consequently, an NRA shall not be used in place of an RFP when the procurement requirement is narrowly defined and it is necessary to use a detailed description or specification.

(b) **Issuance.**

(1) Each NRA shall be assigned a unique number in accordance with 18-4.7102-1.

(2) NRAs may remain open for proposal submission for a maximum of one year. They may not be amended or modified once issued, but may be reissued by assigning a new number and resynopsizing. (See also paragraph (g) below.) NRAs should remain open for at least 90 days.

(3) Before issuance, each field-generated NRA shall be concurred in by the procurement officer and approved by the installation's director or a designee, who shall serve as or designate a selecting official. Before issuance, each Headquarters-generated NRA shall be concurred in by General Counsel (Code GK) and the Director, Headquarters Grants and Contracts Division (Code HW) and approved by the cognizant Program Associate Administrator or a designee, who shall serve as or designate a selecting official. If a Headquarters-generated NRA may result in awards by a NASA field installation, the concurrence of that installation's procurement

officer may be sought in place of or in addition to Code HW's concurrence.

(4) The contracting officer shall assure that the NRA is synopsized in the Commerce Business Daily (CBD). The CBD synopsis required by FAR 35.016(c) satisfies the synopsis requirement at FAR 5.201; the synopsis contemplated by FAR 5.205 is not required. The synopsis shall be brief and provide the address for obtaining a copy of the detailed NRA. The technical part of the synopsis is intended to describe an identifiable area of interest and should not exceed 50 words.

(5) The NRA shall be prepared, printed, and distributed by or under the direction of the selecting official. Distribution shall not begin until the concurrence of the procurement officer has been obtained and the contracting officer has confirmed that the synopsis requirements have been met. The NRA shall be distributed to each coordinating office responsible for receipt of unsolicited proposals and to the Office of Procurement (Code HS).

(6) In addition to the concurrences and approvals in subparagraph (3) above, each installation shall submit its first two NRAs to the Assistant Administrator for Procurement (Code HS) for concurrence before issuance.

(c) Content. The NRA shall consist of the following items in the order shown. This entire package shall be provided in response to requests.

(1) *Cover.* The cover shall display:

(i) "OMB Approval Number 2700-0042" in the upper right corner.

(ii) Title (centered, in uppercase).

(iii) "NASA Research Announcement Soliciting Research Proposals for the Period Ending ________" (centered, on three lines, two inches below the title; insert closing date).

(iv) NRA number (centered, two inches below closing date).

(v) Official address for office issuing NRA (centered, at bottom of cover).

(2) ***Summary and Supplemental Information.***

(i) The Summary and Supplemental Information shall not exceed two pages and shall include:

(A) Title (centered, in uppercase).

(B) Introductory paragraphs describing the purpose of the NRA and the period for receipt of proposals. When proposals received during this period may be grouped for evaluation at separate times, the introductory paragraphs shall indicate when evaluations are planned and shall include the following remark:

> "A proposal that is scientifically and programmatically meritorious, but that cannot be accepted during its initial review under an NRA because of funding uncertainties, may be included in subsequent reviews unless the offeror requests otherwise."

(C) NRA number.

(D) Address for submitting proposals, including "ATTN: NRA ________." (Insert NRA number.)

(E) Copies required.

(F) Selecting official's title.

(G) Name, address, and telephone number for additional technical information.

(H) Name and telephone number of contracting office point of contact for administrative and contractual information.

(I) Additional instructions supplementing the Instructions for Responding to NASA Research Announcements for Solicited Research Proposals (see Subpart 18-70.2). Such information shall be kept to the minimum necessary for a particular NRA and shall cite specific "Instructions" paragraphs supplemented.

(J) When awards will be chargeable to funds of the new fiscal year and the NRA is to be issued before funds are available, the NRA shall contain a statement as follows:

> "Funds are not presently available for awards under this NRA. The Government's obligation to make awards is contingent upon the availability of appropriated funds from which payment for award purposes can be made and the receipt of proposals that the Government determines are acceptable for award under this NRA."

(ii) The Summary and Supplemental Information may include estimates of the amount of funds that will be available and the number of anticipated awards. A breakdown of the estimates by research area may also be shown.

(iii) The Summary and Supplemental Information may indicate that proposals submitted under an earlier NRA and held for subsequent reviews will be considered and need not be resubmitted. To so indicate, the earlier NRA shall be identified by number in the following statement:

> "Proposals for which no selection decision was made under NRA _________ and held for subsequent reviews will be considered under this NRA and need not be resubmitted." (Insert NRA number).

(3) *Technical Description.* The first page shall contain the NRA number and title at the top. A brief description not exceeding two pages is preferable, but it should be detailed enough to enable ready comprehension of the research areas of interest to NASA. Specifications containing detailed statements of work more suited to RFPs should be avoided. Any program management information included must be limited to matters that are essential for proposal preparation.

(4) ***Instructions for Responding to NASA Research Announcements for Solicited Research Proposals.*** The NRA shall contain instructions in accordance with 18-70.203.

(d) Unsolicited proposals.

(1) Unsolicited proposals for new efforts that are within the scope of an open NRA shall be evaluated in accordance with 18-15.506(b).

(2) Unsolicited proposals for renewal of ongoing efforts that are within the scope of an open NRA shall be evaluated in accordance with 18-15.505-70.

(3) A broad agency announcement shall not be considered to be an "acquisition requirement" as the term is used in FAR 15.507(a)(2).

(e) Receipt of proposals, evaluation, and selection.

(1) Proposals shall be protected as provided in 18-15.508-70 and 18-15.509-70.

(2) Evaluation, selection, and award may occur during or after the period established for receipt of proposals. Late proposals and modifications shall be treated in accordance with 18-15.412(a) and (b).

(3) When more than one time is established in the NRA for evaluating proposals, proposals received prior to the time established will be considered as part of the initial group to be evaluated. Subsequent groups of proposals to be evaluated shall be formed from those proposals received after the time established for the earlier evaluation groups and prior to the time

established for a subsequent group, along with those proposals, if any, held over under subparagraph (8) below.

(4) The selection decision shall be made following peer or scientific review of a proposal. Peer or scientific review shall involve (i) evaluation, outside NASA, by a discipline specialist in the area of the proposal, (ii) evaluation by an in-house specialist, or (iii) both. Evaluation by specialists outside NASA shall be conducted subject to the conditions in FAR 15.413-2(f) and NFS 18-15.413 and 18-15.413-2. In particular, the selecting official shall ensure compliance with FAR 15.413-2(f)(5) regarding the designation of outside evaluators and avoidance of conflicts of interest. After receipt of a proposal and before selection, scientific or engineering personnel shall communicate with an offeror, regarding the proposal, only for the purpose of clarification, as defined in FAR 15.601, or in order to understand the meaning of some aspect of the proposal that is not clear, or in order to obtain confirmation or substantiation of a proposed approach, solution, or cost estimate.

(5) Competitive range determinations shall not be made, and best and final offers shall not be requested.

(6) All or part of a proposal may be selected unless the offeror requests otherwise. In addition, changes to a selected proposal may be sought as long as (i) the ideas or other aspects of the proposal on which selection is based are contained in the proposal as originally submitted, and are not introduced by the changes; and (ii) the changes sought would not involve a material alteration to the requirements stated in the NRA. Changes that would affect a proposal's selection shall not be sought. When changes are desired, they may be described to the contracting officer under subdivision (10)(ii) below, or the selecting official may request revisions from the offeror. The changes shall not transfer information from one offeror's proposal to another offeror (see FAR 15.610(d)(2)). When collaboration between offerors would improve proposed research programs, collaboration may be suggested to the offerors.

(7) The basis for selection of a proposal shall be documented in a selection statement applying the evaluation factors in the NRA. The selection statement represents the conclusions of the selecting official and must be self-contained. It shall not incorporate by reference the evaluations of the reviewers.

(8) A proposal that is scientifically and programmatically meritorious, but that is not selected during its initial review under an NRA, may be included in subsequent reviews unless the offeror requests otherwise. If the proposal is not to be held over for subsequent reviews, the offeror shall be notified that the proposal was not selected for award.

(9) The selecting official shall notify each offeror whose proposal was not selected for award and explain generally why the proposal was not selected. If requested, the selecting official shall arrange a debriefing under 18-15.1003, with the participation of a contracting officer.

(10) The selecting official shall forward to the contracting officer--

(i) The results of the technical evaluation, including the total number of proposals received under the NRA by the time of selection, the selection statement, and the proposal(s) selected for funding;

(ii) A description of any changes desired in any offeror's statement of work, including the reasons for the changes and any effect on level of funding;

(iii) If a contract will be used to fund the proposal, a description of deliverables, including technical reports, and delivery dates, consistent with the requirements of the NRA;

(iv) A procurement request;

(v) Comments on the offeror's cost proposal (either the selecting official's comments, which may be based on the reviewers' comments, or copies of the reviewers' comments with any different conclusions of the selecting official); these comments shall address the need for and reasonableness of travel, computer time, materials, equipment, subcontracted items, publication costs, labor hours, labor mix, and other costs; and

(vi) A copy of the selected proposal as originally submitted, any revisions, and any related correspondence from the successful offeror.

(11) The selecting official may provide to the contracting officer copies of the reviewers' evaluations. Reviewers' names and institutions may be omitted in order to protect their identity.

(12) The selecting official may notify each offeror whose proposal was selected for negotiation leading to award.

(i) The notification shall state that --

(A) The proposal has been selected for negotiation leading to award;

(B) The offeror's business office will be contacted by a contracting officer, who is the only official authorized to obligate the Government; and

(C) Any expenses incurred by the offeror in anticipation of receiving an award will be at the offeror's risk.

(ii) The notification may identify which award instrument (contract, grant, cooperative agreement, or other agreement) has been recommended.

(f) **Award.** If a contract is selected as the award instrument (see FAR 35.003(a) and 18-35.003(a)), the contracting officer shall --

(1) Advise the offeror that the Government contemplates entering into negotiations; the type of contract contemplated; and the estimated award date, level of effort, and delivery schedule;

(2) Send the offeror a model contract, if necessary, including modifications contemplated in the offeror's statement of work, and request agreement or identification of any exceptions (the contract statement of work may summarize the proposed research, state that the research shall be conducted in accordance with certain technical sections of the proposal (which shall be identified by incorporating them into the contract by reference), and identify any changes to the proposed research);

(3) Request the offeror to complete and return certifications and representations and Standard Form 33, Solicitation, Offer, and Award, or other appropriate forms;

(4) Conduct negotiations in accordance with FAR Subparts 15.8 and 15.9, as applicable;

(5) Award a contract with reasonable promptness to the successful offeror by transmitting written notice of the award to that offeror; and

(6) Comply with FAR Subparts 4.6 and 5.3 on contract reporting and synopses of contract awards, to the extent required by those subparts.

(g) **Cancellation of an NRA.** When program changes, the absence of program funding, or any other reasons require cancellation of an NRA, the contracting officer shall publish a notice in the Commerce Business Daily. The office issuing the NRA may provide additional notification by using the mailing list for the NRA.

18-35.070 NASA contract clauses and solicitation provision.

(a) The contracting officer shall insert the clause at 18-52.235-70, Scientific and Technical Information Service, in all research and development contracts and in cost-reimbursement supply contracts involving research and development work.

(b) The contracting officer shall insert the clause at 18-52.235-71, Key Personnel and Facilities, in contracts when source selection has been substantially predicated upon the possession by a given offeror of special capabilities, as represented by either key personnel or facilities.

(c) The contracting officer shall insert the provision at 18-52.235-72, Plan for New Technology Reporting, in any solicitation for contract estimated to cost $2,500,000 or more if the contract is also to contain the clause at 18-52.227-70, New Technology, unless, in consultation with the installation's New Technology Officer, the contracting officer determines that the provision is not appropriate. The contracting officer may insert the provision in solicitations for any such contract of a lesser dollar amount if deemed appropriate after consultation with the installation's New Technology Officer.

18-35.071 Space Transportation System Personnel Reliability Program.

The Space Transportation System is a national resource providing a capability to support a wide range of scientific, applications, commercial, defense, and international uses. Criteria and procedures for assuring the highest standards of reliability in personnel assigned to mission-critical positions in connection with the Space Transportation System are set forth in NMI 8610.13, Space Transportation System Reliability Program (see 18-46.270(a)).

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PART 18-36

CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS

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PART 18-36
CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS

SUBPART 18-36.2
SPECIAL ASPECTS OF CONTRACTING FOR CONSTRUCTION

18-36.203 Government estimate of construction costs.

(a) The initiator of the Government estimate shall designate the estimate "For Official Use Only" unless the information in the estimate requires a security classification, in which event it shall be handled in accordance with applicable security regulations.

(b) If the acquisition is by sealed bidding, the contracting officer shall file a sealed copy of the detailed Government estimate with the bids until bid opening. After the bids are read and recorded, the contracting officer shall remove the "For Official Use Only" designation, read the estimate, and record it in the same detail as the bids.

(c) If the acquisition is by negotiation, the contracting officer may disclose cost breakdown figures in the Government estimate during negotiations, but only to the extent necessary for arriving at a fair and reasonable price. However, the contracting officer shall not disclose the overall amount of the Government estimate prior to award. At the time of award, the "For Official Use Only" designation shall be removed. After award, the contracting officer may reveal the Government estimate, upon request, to offerors.

18-36.205 Statutory cost limitations.

"Statutory cost limitations" refers to cost limitations that may be included in an agency's annual appropriation act.

18-36.209 Construction contracts with architect-engineer firms.

(a) Except as provided in paragraph (c) below, contracting officers shall not --

(1) Solicit offers for the construction of a facility from any firm, its subsidiaries, or affiliates furnishing architect-engineer services for that facility; or

(2) Consider unsolicited offers from that firm, its subsidiaries, or affiliates.

(b) An architect-engineer firm selected for negotiation of an architect-engineer services contract under the procedures in 18-36.602 shall be advised of the policy in paragraph (a) above before initiation of negotiations, if that firm possesses construction capabilities either within its own organization or through subsidiaries or affiliates. The firm shall have the option of either --

(1) Declining to enter into contract negotiations, in order to be eligible to compete for the related construction contract; or

(2) Entering into contract negotiations with the clear understanding that, if such negotiations are successful, the firm, its subsidiaries, and affiliates will be ineligible to compete for the related construction contract.

(c) (1) The policy in FAR 36.209 does not apply when --

(i) The Assistant Administrator for Procurement, upon recommendation from Code HS, specifically authorizes, before the initiation of negotiations, use of a cost-plus-fixed-fee contract for both the design and construction of a facility; or

(ii) A contract (A) is awarded on the basis of performance specifications for the construction of a facility, and (B) requires the contractor to furnish construction drawings, specifications, or site adaptation drawings of the facility.

(2) The contracting officer shall prepare requests for authorization pursuant to subdivision (1)(i) above in sufficient detail to establish the need for procuring both design and construction under one contract. In neither of the excepted cases in subparagraph (1) above shall the firm that prepared the drawings and specifications be engaged to supervise and inspect, on behalf of the Government, the construction of the facility involved.

SUBPART 18-36.3
SPECIAL ASPECTS OF SEALED BIDDING IN CONSTRUCTION CONTRACTS

18-36.303 Invitations for bids.

18-36.303-70 Additive and deductive items.

(a) When it appears that funds available for a project may be insufficient for all the desired features of construction, the contracting officer may provide in the invitation for bids for (1) a first or base bid item covering the work generally as specified and (2) one or more additive or deductive bid items progressively adding or omitting specified features of the work in a stated order of priority. In such case, the low bidder and the items to be awarded shall be determined as described in the provision at 18-52.236-71, Additive or Deductive Items.

(b) The contracting officer, before the opening of bids, shall determine and record in the contract file the amount of funds available for the project. This amount shall be controlling for determining the low bidder, but may be increased for determining the items to be awarded, provided that award on the combination of items does not exceed the amount offered by any other conforming responsible bidder for the same combination of items.

18-36.370 Solicitation provisions.

(a) The contracting officer shall insert the provision at 18-52.236-71, Additive or Deductive Items, in invitations for bids for construction when it is desired to add or deduct bid items to meet available funding.

(b) The contracting officer shall insert the provision at 18-52.236-72, Bids with Unit Prices, in invitations for bids for construction when the invitation contemplates unit prices of items.

SUBPART 18-36.5
CONTRACT CLAUSES

18-36.570 NASA contract clause and solicitation provision.

18-36.570-1 Hurricane plan.

The contracting officer shall insert the clause at 18-52.236-73, Hurricane Plan, in solicitations and contracts for construction at sites that experience hurricanes.

18-36.570-2 Magnitude of requirement.

The contracting officer shall insert the provision at 18-52.236-74, Magnitude of Requirement, in solicitations for construction. Insert the appropriate estimated dollar range in accordance with FAR 36.204.

SUBPART 18-36.6
ARCHITECT-ENGINEER SERVICES

18-36.600 Scope of subpart.

18-36.600-70 Interorganizational acquisition of architect-engineer services.

Procedures for acquiring architect-engineer services through the construction organization of the Corps of Engineers, Department of the Army, are set forth in NASA-Corps of Engineers Agreement for Performance of Construction Services, which can be obtained from the Headquarters Office of Procurement (Code HS).

18-36.602 Selection of firms for architect-engineer contracts.

18-36.602-1 Selection criteria.

(a) As permitted by FAR 36.602-1(a)(6), in evaluating architect-engineer firms, the architect-engineer selection board shall apply any criteria set forth in the public notice regarding a particular requirement and the volume of work previously awarded to the firm by NASA, with the object of effecting an equitable distribution of contracts among qualified architect-engineer firms, including minority-owned firms and firms that have not had prior NASA contracts.

(b) It should be noted that the evaluation criteria in paragraph (a) above and FAR 36.602-1(a) are not listed in order of importance. The relative weight to be assigned to them may vary with the particular requirements of the individual procurement.

(c) NASA will consider the immediate past 10 years as the period for evaluation under FAR 36.602-1(a)(2) and (4).

18-36.602-2 Evaluation boards.

In compliance with FAR 36.602-2, the head of each installation shall establish an architect-engineer selection board to be composed of at least three members. Appointment of members who are not Government employees is not authorized.

18-36.602-3 Evaluation board functions.

The report required by FAR 36.602-3(d) should, as a minimum, discuss each criterion for each offeror and explain why one firm is rated higher than the others.

18-36.602-4 Selection authority.

The head of each installation is designated as the selection authority for that installation for the purposes of FAR 36.602-4.

18-36.602-5 Short selection processes for contracts not to exceed $10,000.

(a) Use of the procedures at FAR 36.602-5 is permitted when authorized by the head of the installation.

(b) The head of the installation is designated as the selection authority for that installation for the purposes of FAR 36.602-5(b)(2).

18-36.602-70 Selection of architect-engineers for master planning.

(a) **Definition of master plan.** A master plan is an integrated series of documents presenting in graphic, narrative, and tabular form the present composition of the installation and the plan for its orderly and comprehensive development to perform its various missions in the most efficient and economical manner.

(b) **Selection.**

(1) When it is proposed that an architect-engineer be selected to develop a master plan in connection with the establishment of a new NASA activity or installation, the report prepared by the architect-engineer selection board in accordance with FAR 36.602-3(d) shall be forwarded by the head of the installation, with that individual's concurrence in the selection, to the cognizant Institutional Associate Administrator, NASA Headquarters, for the concurrences of the Associate Deputy Administrator--Institution and the Deputy Administrator and the approval of the Administrator.

(2) The cognizant Institutional Associate Administrator shall refer the report for review to the Assistant Administrator for Procurement (Code HS), the Office of Management Facilities (Code NX), and other offices as appropriate under the circumstances. After receiving comments and recommendations from the reviewing offices, the cognizant Institutional Associate Administrator shall revise, modify, or concur in the report, as appropriate, and forward it through the Associate Deputy Administrator--Institution to the Deputy Administrator and the Administrator.

18-36.602-71 Conflict of interest.

(a) (1) The chairperson and members of an architect-engineer selection board shall have on permanent file with the appointing official a written certification that their respective participation will not create a conflict of interest within the provisions of the current Standards of Conduct for NASA Employees (NHB 1900.1) regarding conflict of interest. Any other participants in an evaluation or selection for a given architect-engineer requirement shall file or have on file a similar certification.

(2) Personnel unwilling or unable to furnish such a certification may not participate in the evaluation or selection process. The chairperson, members, or other participants with certifications on file shall inform the chairperson or the appointing official, as appropriate and in writing, if participation in a particular selection or evaluation would presents a real or apparent conflict of interest. If the situation warrants, the person(s) shall be disqualified from participating.

(b) The chairperson, members, or other participants shall promptly report any activity that would give rise to a real or apparent conflict of interests, including any indications of extraneous influences being brought to bear on the selection or evaluation process.

18-36.603 Collecting data on and appraising firms' qualifications.

The architect-engineer selection boards (see 18-36.602-2) are designated as NASA's evaluation boards for the purposes of FAR 36.603.

SUBPART 18-36.7
STANDARD FORMS FOR CONTRACTING FOR CONSTRUCTION, ARCHITECT-ENGINEER SERVICES, AND DISMANTLING, DEMOLITION, OR REMOVAL OF IMPROVEMENTS

18-36.702 Forms for use in contracting for architect-engineer services.

(a) **Architect-Engineer Contract (Standard Form 252).** Instructions for completing this form are as follows:

(1) *Block 5-Project Title and Location.* Include a short description of the construction project and the estimated cost of constructing the facilities for the project. If the space provided is insufficient, include a more detailed description in the contract's specification/work statement and identify the location of the more detailed description in Block 10.

(2) *Block 6-Contract For (General description of services to be provided).* Include a brief description of the services and state that they are fully set out in the specification/ work statement. Clearly specify the date by which design services must be completed. If supervision and inspection services during construction are to be procured, also clearly specify the date by which they must be completed and add a statement that the Government may extend the period for their performance as provided in the Changes clause of the contract.

(3) *Block 7-Contract Amount.* If the contract is for both design and supervision and inspection services, set out the amounts for each effort separately.

(b) **Statement of architect-engineer services accompanying the SF 252.** The services to be furnished by an architect-engineer should be carefully defined during negotiation of the contract and a statement of them inserted in the contract's specification/work statement. The statement should clearly and concisely set forth the nature and extent of the services and include any special services, such as the nature and extent of subsurface exploration prior to designing foundations. A similar statement of supervision and inspection services should be inserted in the specification/work statement if supervision and inspection services are to be acquired.

PART 18-37

SERVICE CONTRACTING

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PART 18-37
SERVICE CONTRACTING

18-37.000 Scope of part.

For purposes of this part, construction is not considered a service.

SUBPART 18-37.1
SERVICE CONTRACTS--GENERAL

18-37.101 Definitions.

"Pension portability" means the recognition and continuation in a successor service contract of the predecessor service contract's pension rights and benefits for contractor employees.

18-37.104 Personal services contracts.

(a) Under Section 203(c)(9) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473(c)(9)), NASA is authorized "to obtain services as authorized by Section 3109 of Title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18." 5 U.S.C. 3109, in turn, provides authority to procure by contract "the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services."

(b) It is NASA policy to obtain the personal services of experts and consultants by appointment rather than by contract. The policies, responsibilities, and procedures pertaining to the appointment of experts and consultants are in the NASA Supplement to the Federal Personnel Manual.

18-37.105 Competition in service contracting.

(a) See 18-37.104 above regarding negotiation for personal and professional services.

(b) Frequently NASA must contract for services that require immediate performance after minimum prior notice to proceed. Typical of these requirements are contracts for engineering services; maintenance, repair, or overhaul of specialized equipment; and printing or reproduction and data processing services to be furnished on a "call basis" when time is of the essence to meet priority requirements.

(c) The NASA policy of obtaining competition to the maximum practicable extent applies to these types of services. Geographic limitations imposed on prospective contractors are likely to appear arbitrary to the business community and therefore are proper only when demonstrably justifiable. Even when a geographic limitation is justifiable, no firm desiring to compete for the procurement may be denied the opportunity to do so merely because it is located outside the geographic area. Such firms shall be permitted to submit offers, provided they can substantiate their capability to establish a facility in a location that complies with any required geographical limitation.

(d) A preferred method of obtaining services or supplies required on a prompt response basis is by clearly describing in the solicitation the maximum time that may elapse between placement of the order or call and the delivery date. Such time limitations, when required by the nature of the procurement, will normally meet NASA's needs for prompt delivery without introducing unnecessarily restrictive criteria limiting the competitive field of prospective contractors.

(e) The procurement officer or a designee shall review and approve, prior to distribution, solicitations that contemplate either a geographical-area or time-of-performance limitation.

18-37.110 Solicitation provisions and contract clauses.

The contracting officer shall obtain the Assistant Administrator for Procurement's (Code HP) approval before using in a solicitation, contract, or negotiated contract modification for additional work any installation-developed clause involving pension portability.

18-37.110-70 NASA contract clause.

The contracting officer shall insert the clause at 18-52.237-70, Emergency Evacuation Procedures, in solicitations and contracts for on-site support services where emergency evacuations of the NASA installation may occur, e.g., snow, hurricanes, tornados, earthquakes, or other emergencies.

18-37.170 Pension portability.

It is NASA's policy not to require pension portability in service contracts. However, if it is in the Government's best interest, NASA may consider the inclusion of pension portability requirements in a service contract under the following conditions:

(a) Only defined contribution plans shall be permitted in portability provisions;

(b) At a minimum, vesting shall be 100 percent at contract completion or termination; and

(c) There must be a clear description of the plan, including coverage regarding service, pay, and benefits, as appropriate, from prior contractors.

SUBPART 18-37.2
CONSULTING SERVICES

18-37.200 Scope of subpart.

This subpart implements and supplements FAR Subpart 37.2 and NMI 5104.5, Policy and Guidelines for the Use of Consulting Services Obtained by Contract, and, in particular, establishes procedures to be followed in contracting for consulting services.

18-37.203 Types of consulting services.

Consulting services do not include services obtained under OMB Circular A-76, Performance of Commercial Activities, or services that only provide data in support of NASA administrative and program management. If the primary purpose of a task is to conduct research and development (such as data analysis, studies related to basic and applied research, technology development, concept and demonstration development, full-scale development and testing, and evaluation), the effort provided under the task is not considered consulting services. In addition, contractor reviews of technical activities, such as hardware and hardware-oriented activities, and evaluation of proposals are excluded. See Attachment A to NMI 5104.5 for examples of services to which this subpart does not apply.

18-37.204 Policy.

18-37.204-70 NASA policy.

In addition to the prohibitions regarding consulting services listed at FAR 37.204(c) --

(a) Consulting services shall normally be obtained only on an intermittent or temporary basis; repeated or extended arrangements are not to be entered into except under extraordinary circumstances;

(b) Consulting services of individual experts and consultants shall normally be obtained by appointment rather than by contract (see NMI 3304.1, Employment of Experts and Consultants);

(c) Grants and cooperative agreements shall not be used as legal instruments for consulting service arrangements;

(d) Consulting service tasks assigned to the Jet Propulsion Laboratory and modifications to the contract between the California Institute of Technology and NASA for the operation of the JPL facility must be reviewed and approved by the Associate Administrator for Management (Code N); and

(e) Persons or organizations employed as NASA consultants must be free from conflict of interest as delineated in FAR Subpart 9.5, Organizational Conflicts of Interest, and NFS Subpart 18-9.5. Caution must also be exercised when considering former Government employees for consulting service arrangements, in order to avoid potential post-employment statutory prohibitions (18 U.S.C. 207).

18-37.204-71 Public inspection.

(a) NASA's annual Appropriations Act states: "Except as otherwise provided under existing law or under an Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract."

(b) In accordance with paragraph (a) above, on a quarterly basis the Office of Procurement (Code HM) prepares a list for public inspection and distributes it to NASA Information Centers pursuant to NMI 1382.2 (14 CFR 1206), Availability of Agency Records to Members of the Public. Copies are also distributed to NASA installation contracting offices to ensure an awareness of contracts that have been highlighted for public inspection.

(c) Public inspection of consulting service contracts and purchase orders at NASA field installations in accordance with the Appropriations Act shall be limited to basic contract documents and modifications. Requests for copies of contracts or other data will be handled in accordance with NMI 1382.2 and OFPP Policy Letter No. 78-3, Request for Disclosure of Contractor-Supplied Information Obtained in the Course of a Procurement (March 30, 1978).

18-37.205 Management controls.

18-37.205-70 Requests for approval.

(a) When a NASA field installation or headquarters office considers consulting services necessary and desirable, in accordance with the policy in FAR 37.204 and NFS 18-37.204-70, the requiring activity is responsible for preparing the required documentation (see FAR 37.205) and securing the prior approval of the Associate Administrator for Management (Code N).

(b) Before processing any procurement action for consulting services, the contracting officer shall (1) provide advice, as necessary, to the requiring activity on preparing the documentation required by NMI 5104.5 and (2) ensure that this required documentation, including the necessary concurrences/approvals, is included in the official contract file. If there is a question as to whether a requirement is for consulting services, regardless of dollar value, and the requirement has not been submitted to the Associate Administrator for Management (Code N) for approval, the contracting officer shall determine whether it is for consulting services. If it is, the contracting officer shall return the procurement request to the originating office for action in accordance with NMI 5104.5. In all such cases, the contracting officer's determination is final.

18-37.205-71 Negotiation of contracts.

(a) (1) Contracting officers shall include in all solicitations for consulting services a requirement that each offeror furnish the following information with the proposal, regardless of the type of contract anticipated:

(i) The names and qualifications of principal members of the contractor organization who will be responsible for the project.

(ii) The title of each official and the number of employees who will participate.

(iii) The estimated number of hours that each official and employee will contribute to the proposed project.

(iv) The standard billing rate per hour for each official and employee.

(2) The contract shall establish requirements to ensure that the successful offeror's proposal will be adhered to, as negotiated and agreed to, in each of the areas listed in subparagraph (1) above.

(b) In addition, the solicitation and the resulting contract shall require that --

(1) The contractor warrants that the rates quoted are not in excess of those charged nongovernmental clients for the same services performed by the same individuals;

(2) The Government has the right to the working papers used by the participating officials and employees of the firm or organization in connection with the project;

(3) Publication or distribution of the study, data, or related material is prohibited, except to the extent authorized by the contracting officer; and

(4) The contractor agrees that any reports regarding organizational matters (as required by the contract) shall include, when feasible and in addition to the recommendations, alternative methods to be considered and the pros and cons of each alternative.

18-37.205-72 Contract award and approval.

Unless otherwise required by Subpart 18-4.72, or by direction of the Associate Administrator for Management (Code N), awards may be made without further referral to Headquarters after they have been approved in accordance with 18-37.205-70(a).

18-37.205-73 Copies of reports and recommendations.

Upon completion of the services required and before contract closeout, the requiring activity shall forward one copy of the final report or recommendations made by the contractor along with a written evaluation of contractor performance to the Director, General Management Division (Code NP). These reports will show the following information on the cover:

(a) Name and business address of the contractor.

(b) Contract number.

(c) Contract dollar amount.

(d) Whether the contract was competitively or noncompetitively awarded.

(e) Name, office identification, and location of the Government official sponsoring the consulting services.

PART 18-39

ACQUISITION OF INFORMATION RESOURCES

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PART 18-39
ACQUISITION OF INFORMATION RESOURCES

SUBPART 18-39.70
NASA PROCEDURES

18-39.7000 Scope of subpart.

This subpart prescribes the internal NASA procedures to be used by installations in obtaining General Services Administration (GSA) authorization to contract for automatic data processing equipment (ADPE), telecommunications, and related resources.

18-39.7001 Policy.

The Assistant Administrator for Procurement has responsibility for submitting agency procurement requests (APR's) to the GSA to obtain delegations of procurement authority (DPAs) for ADPE. Telecommunications services shall be obtained in accordance with NMI 2520.1, Communications System Management.

18-39.7002 Applicability.

This subpart is applicable to all ADPE actions for which the Federal Information Resources Management Regulation (FIRMR) requires issuance of specific DPAs.

18-39.7003 Requests from installations.

18-39.7003-1 Responsibility.

The installation's procurement officer is responsible for --

(a) Determining or verifying that a DPA is necessary;

(b) Ensuring that internally required approvals are sufficient to allow initiation of the acquisition;

(c) Ensuring that required documentation is uniquely identifiable, complete, adequate, severable, and readily available in files controlled by the contracting office;

(d) Timely submission to the Headquarters Office of Procurement (Code HP) information to be used as the basis of an APR;

(e) Conducting the acquisition in compliance with the DPA; and

(f) Initiating a request for a revised DPA if events invalidate the existing DPA or require additional or modified authorization from GSA.

18-39.7003-2 Request format.

Headquarters will prepare an APR, consistent with the FIRMR, from information supplied by the installation. Installations shall use the format set forth below, subject to the following conditions:

(a) The exact numbering style and headings shall be used (except for parenthetical material) unless otherwise noted.

(b) Parenthetical material, except paragraph numbering, is instructional and should be omitted from the submitted document.

(c) The material should be prepared to allow verbatim incorporation into the APR that NASA will submit to GSA. Note that internal material of interest only to

Headquarters, as may be required by the parenthetical notes, will be deleted.

FORMAT

Request for DPA **DATE:**

1. **Installation information:**

(i) (Installation name)

(ii) Procurement contact: (name/title/telephone no.)

(iii) Technical contact: (name/title/telephone no.)

2. **Project title and description:**

(i) Project title: (Use brief, informative name. Actual project title preferred, if suitable. Provide a brief description of the nature and scope of the program the acquisition will support. The description may be as technical as necessary, but ensure that a nontechnical, non-ADPE reader can, in general, understand the request.)

(ii) Existing components: (Provide a brief but specific description of the major system components, including ADPE configuration, or services currently supporting the program. Limitations dictating the present action may be mentioned).

(iii) To-be-acquired: (Provide a brief but specific description of the major system components or services to be acquired during the system life of the requirement. The reason for the buy should be made clear, if not already covered above. Describe resources required for system expansion, e.g., anticipated augmentations, upgrades, and other system modifications during the system life if such requirements will be included in the solicitation as evaluated options. (Note that the DPA provided by GSA will be limited to acquisition of the resources described in this section.))

3. **Acquisition strategy:**

(i) (Indicate whether or not the proposed procurement approach is to satisfy a requirement using a specific make and model; whether compatibility-limited requirements will be used on either a mandatory or nonmandatory basis; and the type of contract expected to be used.)

(ii) Solicitation will be issued: ______ Qtr FY ______ .

Contract will be signed: ______ Qtr FY ______ .

(iii) This request does not involve a pilot or prototype. (If preceding statement is **not** true, replace it with a description of the strategy for follow-on implementation.)

(iv) (Indicate the contemplated type of competition, i.e., full and open, full and open after exclusion of sources, or other than full and open. If the last, cite the appropriate circumstance at FAR 6.302.)

4. **Estimated contract life and cost:**

Type of Request	**Estimated Contract Cost**	**Estimated Contract Life**
ADPE System	Contr. $XXX	Firm (yrs/mos)
	Option $XXX	Option (yrs/mos)

The estimated system life is ______ years.

(Use applicable parts of above sample. "Type of Request" typically includes ADPE System Replacement or Augmentation, Proprietary Software, Equipment Maintenance, Other ADP Services. Include all options. Note that contract cost is specified, *not* overall system life cost. Detailed cost breakout may be attached for clarification. The delegation will be limited to the quantities and periods indicated.)

5. **Regulatory compliance:**

(i) All of the applicable regulations have been reviewed and complied with. No waivers are contemplated. (Alternatively, list those deviations from the FIRMR for which approval is sought, and provide an explanation for each in accordance with FIRMR Subpart 201-1.4. Any deviations from the FAR or NASA FAR Supplement shall be handled in accordance with FAR Subpart 1.4. They shall not be listed here.)

(ii) The following documentation has been prepared and conforms with NFS 18-39.7003-1(c): (Enter date of most recent update or N/A as appropriate.) Identify **only** those documents noted below. Do **not** send copies of documents to Code HP unless requested.

(A) (Requirements analysis, as per FIRMR 201-30.007).

(B) (Analysis of alternatives, as per FIRMR 201-30.009).

(C) (Performance evaluation for the currently installed ADP system, as per FIRMR 201-30.007(d)(9) and 201-34.002).

(D) (Findings to support the use of compatibility-limited requirements, as per FIRMR 201-30.009-3).

(E) (Software conversion study, as per FIRMR 201-30.012-1).

(F) (Certified data to support a contemplated requirement available from only one responsible source, as per FIRMR 201-11.002(b)).

(G) (Justification to support a contemplated requirement using a specific make and model, as per FIRMR 201-11.002-1).

(H) (Description of those planned actions necessary to foster competition for subsequent acquisitions, as per FIRMR 201-30.012).

6. **Remarks:**

(Provide any additional necessary information concerning any of the above special conditions associated with this acquisition; e.g., required building construction or modification by GSA. Indicate any special problems or conditions regarding funding or ADP acquisition plan approvals. Indicate the urgency of the acquisition.)

7. **References:**

(Provide previous Code HP control numbers and GSA case numbers specifically related to the requested action. Reference any significant meetings or other events involving NASA or GSA that may have a major bearing on the action.)

8. **Submitted by:**

(Typed name and signature of procurement officer)

18-39.7003-3 Submission.

Forward two copies of requests for DPAs to the Assistant Administrator for Procurement (Attn: Code HP). Allow a minimum of nine weeks for processing.

(See also NFS 18-39.7004). Direct electronic transmission of requests for DPAs to the Code HP telecommunication facility requires prior approval by Code HP.

18-39.7004 ADP acquisition plans.

(a) When NHB 2410.1, Information Processing Resources Management, requires that an ADP acquisition plan be approved by Headquarters, the procurement officer shall determine from the initiating activity whether the plan has been approved by Headquarters or is under review by the Headquarters Automated Information Systems Division (Code NT).

(b) When NHB 2410.1 provides for approval of an ADP acquisition plan at the local level, a copy of the approved plan shall be enclosed with the request for a DPA unless it has previously been sent to Code NT.

(c) The existence of a copy of the acquisition plan in the contract file does not in and of itself meet the documentation criteria set forth in NFS 18-39.7003-1(c).

18-39.7005 Coordination.

(a) Requests for DPAs are subject to general review, comparison with acquisition plans, and discussion between Codes HP and NT before submission of an APR to GSA.

(b) Communications with GSA regarding APRs shall be through the Headquarters Procurement Policy Division (Code HP), unless that office directs otherwise. Installations may respond to contacts initiated by GSA, but should inform Code HP of the contact and its nature.

(c) NASA will not normally make presentations to GSA regarding APRs unless requested by GSA. Any exceptions are subject to coordination by Codes HP and NT.

18-39.7006 DPA transmittal.

Specific DPAs are made to the Assistant Administrator for Procurement or designee (Code HP), and are in turn redelegated to the appropriate procurement officer by transmitting the signed DPA with a delegation letter containing additional instructions and guidance. Questions regarding the DPA shall be referred to Code HP.

18-39.7007 Numbering provisions and clauses.

When adherence to the FIRMR results in the use of provisions or clauses not prescribed in the FAR or NFS, use the FIRMR number and FIRMR provision or clause title.

PART 18-42

CONTRACT ADMINISTRATION

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PART 18-42

CONTRACT ADMINISTRATION

SUBPART 18-42.1 INTERAGENCY CONTRACT ADMINISTRATION AND AUDIT SERVICES

18-42.101 Policy.

It is NASA policy to optimize the use of contract administration, audit, and related support functions of the Department of Defense (DOD) and other Government agencies. NASA agreements with Government agencies regarding the delegation and performance of contract administration and related field support functions are the responsibility of the Defense and Intergovernmental Relations Division (Code XD). However, questions may be directed to the Procurement Policy Division (Code HP). NASA retains technical direction of all its contracts regardless of the agency responsible for contract administration.

18-42.102 Procedures.

DOD contract administration and audit offices will accomplish the delegated functions in accordance with DOD regulations and procedures, except that the following take precedence over DOD regulations and procedures:

(a) NASA letters of delegation, including any special instructions attached to them.

(b) Applicable requirements of NASA Quality Publication NHB 5300.4(2B), Quality Assurance Provisions for Government Agencies.

(c) Any written agency agreements between NASA and DOD.

18-42.102-70 Management of subcontracts.

Because prime contractors are responsible for managing subcontracts, contract administration functions shall be performed by the Government for subcontracts only if necessary to meet specific NASA requirements. Delegations for contract administration at subcontractors' plants normally shall be made by or through the contract administration offices responsible for the prime contractors. When a direct delegation is made for performance of contract administration functions at a subcontractor's plant (such as for quality assurance), the contracting officer shall (1) coordinate in advance with the contract administration office responsible for the prime contractor and (2) provide copies of the delegation to that office.

18-42.170 Assignment of NASA personnel at contractor plants.

(a) NASA personnel normally shall not be assigned at or near a contractor's facility to perform any contract administration functions listed in FAR 42.302(a). Before such an assignment is made, a written request shall be forwarded to the cognizant program director for approval and the concurrence of the Assistant Administrator for Procurement. The following supporting information shall be forwarded with the request to make the assignment:

(1) A statement of the special circumstances that necessitate the assignment.

(2) The contract administration services to be performed.

(3) A summary of any discussions held with the cognizant contract administration organization.

(4) A staffing plan covering three years or such shorter period as may be appropriate. The provisions of this paragraph (a) do not apply to NASA audit personnel assigned to the field installations, to NASA technical personnel covered by 18-42.101 and paragraph (b) below, unless they are performing any contract administration functions listed in FAR 42.302(a), or to personnel assigned to contractors' plants on NASA or other Federal installations.

(b) NASA may assign technical personnel (such as quality assurance, reliability, or engineering representatives) to contractors' plants or laboratories to provide direct liaison with NASA and technical assistance and guidance to the contractor and DOD. The duties and responsibilities of these technical representatives shall be clearly defined and shall not conflict with, duplicate, or overlap with functions delegated to DOD personnel. NASA shall advise appropriate DOD and contractor organizations of the duties and responsibilities of NASA technical personnel. When NASA technical personnel are performing any of the contract administration functions listed in FAR 42.302(a), paragraph (c) below applies.

(c) When a NASA resident office and a DOD contract administration office are performing contract administration functions for NASA contracts at the same contractor's facility, the two offices shall execute a written agreement clearly establishing the relationship between the two organizations and the contractor. The agreement should eliminate duplication in the performance of contract administration functions and minimize procedural misunderstandings between the two organizations. Such agreements shall be consistent with existing delegations to the contract administration offices concerned and shall specify the relationship of NASA nonprocurement resident personnel to their DOD and contractor counterparts if such personnel are, or intend to be, involved in any aspect of contract administration.

18-42.171 Contractor performance at a NASA installation.

When a NASA contract requires contractor performance at another NASA installation or NASA-controlled launch site, a delegation shall be made to the contracting office of the NASA installation at which performance will occur. Delegations normally will include the functions listed in FAR 42.302(a), less any functions retained under 18-42.202. In addition, delegations shall include the contracting officer security functions (when required in the performance of the contract at the installation or site) and the administration of any NASA support provided to the contractor.

18-42.172 Contract administration by DOD personnel at a NASA installation.

If DOD personnel will perform contract administration functions at a NASA installation for more than 30 workdays (either continuous or intermittent), the NASA contracting officer shall obtain prior approval from the head of the installation where the DOD personnel will be located. The concurrence of the Assistant Administrator for Procurement shall also be obtained, through Headquarters Code HP. Such approvals will normally be governed by the following conditions:

(a) The delegation of any functional area (e.g., production, property administration, or quality assurance) shall include all administrative responsibilities for that functional area listed in FAR 42.302(a) that the DOD contract administration office is capable of performing.

(b) The contract administration office shall direct the delegated functions.

18-42.173 Reimbursement for contract administration services.

The basis for reimbursement to DOD for contract administration and related support services is the NASA-DOD Agreement for Contract Administration and Contract Audit Services. Budgeting, funding, and payment for these services shall be accomplished in accordance with NMI 7410.1, Budgeting, Funding and Payment for Contract Administration and Related Field Services Performed by Others. The NASA installation issuing the delegation has responsibility for budgeting, funding, and payment of bills of lading for transportation performed as a result of a traffic management delegation.

18-42.174 Reporting requirements.

(a) NASA installations shall assess their delegations to DOD semiannually to determine changes in delegation patterns that could (1) result in significant increases or decreases in future DOD manpower requirements or (2) have other important impacts on DOD contract administration activities. Events such as major program cutbacks or expansions, changes in locations of major programs, and sizeable new procurements should be considered in the assessment.

(b) When an event will affect DOD's administration of contracts for NASA significantly, a summary of the assessment shall be submitted to the Assistant Administrator for Procurement (Code HP). The summary shall include at least --

(1) A description of the change in work requirements or delegation pattern;
(2) The estimated duration of the impact; and
(3) A prediction of the impact on DOD in terms of changes in manpower requirements or other costs.

(c) NASA installations shall discuss with appropriate DOD contract administration offices the predicted impact on DOD. The results of these discussions, such as DOD agreement or disagreement with the predicted impact, shall be included in the report.

18-42.175 Functional management responsibility.

NASA contracting officers retain functional management responsibility for their contracts. Utilization of the contract administration services of another Government agency or NASA installation does not relieve the NASA contracting officer of responsibility for proper and effective management of the contract. Therefore, the NASA contracting officer must ensure that the contract administration office understands the respective duties and responsibilities of each office in connection with each NASA contract. NASA contracting officers shall keep themselves fully informed on contractor performance and progress by establishing and maintaining effective communications with contract administration offices.

SUBPART 18-42.2
ASSIGNMENT OF CONTRACT ADMINISTRATION

18-42.202 Assignment of contract administration.

(a) Withholding normal functions.

(1) ***Mandatory*** *(must be retained).* The functions listed below are the responsibility of the NASA contracting officer and may not be delegated to DOD or to another Government agency:

(i) Execution of supplemental agreements involving new procurements, spare parts, or terminations (FAR 42.302(a)(22) and (23)). However, see subdivisions (2)(i) and (ii) below regarding negotiation.

(ii) Issuance of decisions under the Disputes clause (FAR 42.302(a)(10)).

(iii) Countersigning NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved (FAR 42.302(a)(8)).

(iv) Approval of the completion voucher (FAR 42.302(a)(7)).

(v) Contract payment (FAR 42.302(a)(13)).

(2) ***Optional*** *(may be retained).* The functions listed below may be delegated to DOD or to another Government agency:

(i) Negotiation of settlement agreements involving partial or complete contract terminations for convenience upon request of the NASA contracting officer on NASA Form 1432, Letter of Contract Administration Delegation--Termination, and forwarding for the signature of the NASA contracting officer (FAR 42.302(a)(23)).

(ii) Negotiation of supplemental agreements for spare parts and other items selected through provisioning procedures and forwarding for the signature of the NASA contracting officer (FAR 42.302(a)(22)).

(iii) Issuance of work requests under maintenance, overhaul, and modification contracts that do not constitute an obligation of funds not available under the contract (FAR 42.302(a)(21)).

(iv) Consent to placement of subcontracts (FAR 42.302(a)(51)).

(v) Performance of transportation and packaging functions (FAR 42.302(a)(35), (36), and (37).

(vi) Performance of reliability and quality assurance functions, including reliability and quality assurance engineering functions (FAR 42.302(a)(38), (40) and (41).

(vii) Performance of systems support engineering functions (as differentiated from production and reliability, and quality assurance engineering) (FAR 42.302(a)(41)).

(b) Withholding additional functions. When the performance of a contract administration function other than one authorized for retention under this section 18-42.202 is necessary and the function is retained for administration or modified by the NASA contracting officer, the NASA contracting officer shall (1) justify, in writing, the retention or modification of that function, (2) obtain written approval of the justification from the procurement officer or a designee, and (3) include the approved justification in the contract file. The NASA contracting officer shall then advise the contract administration office of the retention or modification of the function by means of written special instructions on NASA Form 1430A, Letter of Contract Administration Delegation, Special Instructions, accompanying the letter of delegation. For any function listed in FAR 42.302(a) that is not necessary to the administration of the contract, no notice of its retention need be issued. This paragraph (b) does not apply to contracts and situations described in 18-42.203(a), 18-42.171, and 18-42.172.

(c) Withholding other than normal functions.

(1) ***Mandatory** (must be retained).* The functions listed below are the responsibility of the NASA contracting officer and may not be delegated to DOD or to another Government agency:

(i) Execution of change orders.

(ii) Termination for default or for convenience of the Government.

(2) ***Optional** (may be retained).* The functions listed below may be delegated to DOD or to another Government agency:

(i) Negotiation of supplemental agreements resulting from change orders and forwarding for the signature of the NASA contracting officer. Before completion of negotiations, any delivery schedule change must be approved by the NASA contracting officer (FAR 42.302(b)(1)and (3)).

(ii) Negotiation of prices and execution of priced exhibits for unpriced orders issued by the NASA contracting officer under basic ordering agreements (FAR 42.302(b)(2)).

18-42.202-70 Delegations to contract administration offices.

(a) General. The following procedures apply to delegations to contract administration offices (for delegations to audit and security offices, see 18-42.202-71 and 18-42.202-72, respectively):

(1) NASA contracting officers shall review contract performance requirements as early as possible in the acquisition cycle to determine the nature and extent of expected contract administration functions. This review shall be coordinated with appropriate installation activities, including program managers, to ensure that all essential requirements are incorporated in the delegation. A similar review shall be made before amending letters of delegation under subparagraph (6) below.

(2) A planning conference shall be held with representatives of the contract administration office when --

(i) A contract is expected to exceed $5,000,000;

(ii) Contract performance is required at or near another NASA installation or NASA-controlled launch site;

(iii) The delegation will impose an abnormal demand on the resources of the contract administration office receiving the delegation;

(iv) Complex contract management problems are expected; or

(v) The NASA contracting officer considers it advisable.

(3) Contracting offices shall prepare, within 15 days after contract award, NASA Form 1430, Letter of Contract Administration Delegation, General, for the delegation, redelegating, and amending of contract administration functions. NASA Form 1430A, Letter of Contract Administration Delegation, Special Instructions, shall be used to supplement NASA Form 1430 to --

(i) Delegate any optional functions listed in 18-42.202(a)(2) or (c)(2);

(ii) Modify previously delegated functions;

(iii) Retain the administration of functions other than those listed in FAR 42.302(a); or

(iv) Provide additional or peculiar information concerning the contract that may assist the contract administration office to perform the delegated contract administration responsibilities more effectively (but see subparagraph (4) below).

(4) Letters of delegation and special instructions shall not include

any clauses or other requirements that are or should be contained in the contract and shall not --

(i) Cite administrative procedures or repeat the functions covered in FAR 42.302(a) or other information covered in DOD issuances;

(ii) Place restrictions on administrative contracting officers; or

(iii) Include references to NASA issuances, unless specific written NASA/DOD agreements exist that include references to these issuances, or unless the NASA issuances are a requirement of the contract. When it is appropriate to cite DOD issuances in a letter of delegation, the NASA contracting officer shall ensure that they are applicable to the contract administration office concerned (e.g., that Air Force issuances are not cited in delegations to Navy or DCAS contract administration offices).

(5) Delegations and amendments to them should be accompanied by documentation and supporting information that will ensure a complete understanding of the contract administration services to be performed. Contract administration offices shall be kept fully informed of any actions that may affect the performance of the delegated functions. Copies of all significant documents should be furnished to the contract administration office throughout the period of performance. Significant documents include, but are not limited to --

(i) All contractual documents such as the contract and any specifications and drawings, change orders, supplemental agreements or contractor proposals referenced in the contract;

(ii) Negotiation memoranda covering negotiations of contracts or contract changes in excess of $100,000;

(iii) Copies of any delegation and amendments it sent to other contract administration offices that have a bearing on the contract, including those issued pursuant to 18-42.102-70; and

(iv) Any other correspondence affecting contract performance under the contract.

(6) (i) The contracting officer shall issue amendments to letters of delegation when amendments to the contract are of a nature that will change the scope of functions previously delegated, when additional functions are required to be delegated, or when previously delegated functions are to be terminated in whole or part. However, when a contract administration office has retired the original letter of delegation with the records of a physically completed but administratively open contract, a new letter of delegation shall be issued to support any additional reimbursable services required under the delegation.

(ii) In order to minimize the need for a duplicate delegation at a later date on a contract that is nearing closeout, the NASA contracting officer shall advise the contract administration office to hold the contract in open status when conditions exist or are expected that would justify extension of the contract period of performance. Appropriate NASA forms listed in Part 18-53 shall be used in the amendment process. The forms shall be clearly annotated as amendments to the original delegation.

(7) NASA Form 1431, Letter of Acceptance of Contract Administration Delegation, shall be forwarded with each NASA Form 1430 or amendment. The NASA contracting officer shall use the returned form as evidence that the delegation has been received and accepted by the contract administration office and as a reference for points of contact for each of the functional areas delegated.

(8) Delegations shall be sent to DOD contract administration offices in accordance with the instructions in the DOD Directory of Contract Administration Services Components (DOD 4105.59H).

(9) The contracting officer shall distribute copies of the contract and letters of delegation for contract administration (including amendments as follows:

(i) To DCAS and all other Government contract administration offices except DOD military contract administration offices, when two or more functional areas are delegated: Five copies of the contract and NASA Form 1430 and three NASA Forms 1431.

(ii) To DOD military component offices when two or more functional areas are delegated: Three copies of the contract and three NASA Forms 1430 and 1431.

(iii) To any contract administration office when a single functional area is delegated: Two copies of the contract and two NASA Forms 1430 and 1431.

(iv) To the contractor: One NASA Form 1430.

(b) **Reliability and quality assurance.** When special instructions for reliability or quality assurance are necessary, they shall be (1) clearly identified by the NASA installation personnel responsible for the reliability and quality assurance function and (2) furnished to the contracting officer on NASA Form 1430A for inclusion in the letter of delegation. The procedures for arranging, preparing, and finalizing such delegations and the requirements for NASA direction and management of these functions are contained in installation procedures. The latest edition of NHB 5300.4(2B), Quality Assurance Provisions for Delegated Government Agencies, describes the requirements for performing quality assurance functions under NASA contracts.

(c) **Transportation and packaging.** Transportation and packaging functions may be delegated at the option of the NASA installation personnel responsible for the transportation and packaging function. When such delegations are contemplated on a particular contract, special instructions shall be furnished to the NASA contracting officer on NASA Form 1430A. The form shall also (1) specify the limit of the value of Government bills of lading that may be issued without further consent of the NASA contracting officer and (2) provide appropriate funding information.

(d) **Property administration and plant clearance.** Property administration and plant clearance are ordinarily delegated by NASA to DOD pursuant to FAR 42.302. When these functions are delegated, special instructions prepared and distributed by the Headquarters Supply and Equipment Management Branch, Code NIE, should be issued to the contract administration office. Property administration and plant clearance are typically retained, however, and performed by NASA when the contract work is to be performed at a NASA installation. When retained, the functions should be performed in accordance with Subpart 18-45.72.

(e) **Services not requiring letters of delegation.**

(1) When it is desired that a contract administration or audit office perform services that precede the award of a contract, such as cost, price, or technical evaluations (but exclusive of pre-award surveys), NASA Form 1434, Letter of Request for Pricing-Audit-Technical Evaluation Services, shall be used. Pre-award surveys shall be requested on SF 1403, Pre-award Survey of Prospective Contractor (General). Oral requests made to contract administration offices to expedite these services are authorized, but shall be confirmed in writing immediately through the use of NASA Form 1434 or SF 1403, as appropriate.

(2) Pre-award and post-award services, such as verification of labor and

overhead rates, and furnishing of similar information readily available within contract administration and audit offices and not normally subject to reimbursement by NASA, may be obtained either orally without written confirmation or through the use of NASA Form 1434, as appropriate.

18-42.202-71 Delegations to audit offices.

The following procedures apply when delegations are made to audit offices:

(a) NASA installations shall utilize the services of other Government audit organizations for performance of contract cost audit and other audit functions, except when audits will be performed by NASA auditors. The Defense Contract Audit Agency (DCAA) has been designated as the DOD agency responsible for the performance of audit functions for NASA contracts, except those awarded to educational institutions for which other agencies have audit cognizance under OMB Circular No. 88, those with Canadian contractors (see paragraph (d) below), and those for which NASA will perform audits. To ensure that audit services are performed expeditiously, audit delegations shall be sent to the appropriate audit office immediately after execution of all cost-reimbursement, labor-hour, and time-and-materials contracts and all fixed-price contracts containing cost-reimbursement or price adjustment clauses. Audit functions include but are not limited to contract cost and price audits, estimating systems surveys, reviews of accounting systems (see also 18-15.871(b)), and approval of vouchers for provisional payment.

(b) (1) Delegations shall be sent to cognizant audit offices as listed in the Defense Contract Audit Agency Directory (Headquarters and Field Offices) or in other Government agency directories.

(2) Audit responsibilities for the Department of Health and Human Services (HHS) do not include reviewing and processing vouchers. Consequently, where audit responsibility has been delegated to HHS under OMB Circular No. A-88, contracts shall not designate HHS as the billing office for invoice submission. Instead, contracts should direct invoices to the office administering the contract or as otherwise arranged (see SF 26, Block 10, and SF 33, Block 23).

(c) (1) NASA Form 1433, Letter of Audit Delegation, shall be used to delegate the audit function and to amend previous delegations. Distribute copies of the contract and NASA Form 1433 as follows:

(i) *Audit office:* One copy of the contract and three NASA Forms 1433.

(ii) *Contractor:* One NASA Form 1433.

(iii) *Cognizant NASA fiscal or financial management office:* One NASA Form 1433.

(2) When HHS is designated as the audit office, item 12 on NASA Form 1433 shall be marked "Not applicable."

(d) (1) For contracts with the Canadian Commercial Corporation (CCC), audits are automatically arranged by the Department of Defense Production (Canada) (DDP) in accordance with agreements between NASA and DDP. Audit reports are furnished to DDP. Upon advice from DDP, CCC will certify the invoice and forward it with Standard Form 1034, Public Voucher, to the contracting officer for further processing and transmittal to the fiscal or financial management officer.

(2) For contracts placed directly with Canadian firms, audits are requested by the contracting officer from the Audit Services Branch, Comptroller of the Treasury, Department of Finance, Ottawa, Ontario, Canada. Invoices are approved by

the auditor on a provisional basis pending completion of the contract and final audit. These invoices, accompanied by SF 1034, are forwarded to the contracting officer for further processing and transmittal to the fiscal or financial management officer. Periodic advisory audit reports are furnished directly to the contracting officer.

(3) Audits performed by the Audit Services Branch are normally conducted under DDP regulations.

18-42.202-72 Delegations to security offices.

NASA's policies and procedures on security are set forth in NMI 1650.1, Industrial Security Policies and Procedures. Contracting officers shall delegate responsibility for administering the Industrial Security Program [which has been designated as an administrative contracting officer (ACO) responsibility in Appendix C, Industrial Security Regulation, DOD 5220.22R, see also FAR 42.302(a)(20)] to DOD unless the contractor will perform the classified contract on a NASA installation or the classified work has been "carved-out." (A "carve-out" is defined in Section 1, paragraph 3, item f.1., of the DOD Industrial Security Manual for Safeguarding Classified Information, September 1987, DOD 5220.22M, as a classified contract issued in connection with an approved Special Access Program in which the Defense Investigative Service has been relieved of inspection responsibility in whole or in part.) The basis for DOD's performance of administrative contracting officer responsibility for the Industrial Security Program on NASA contracts is a NASA-DOD Agreement. The contracting officer shall specifically identify security functions delegated to DOD or to another NASA installation (see 18-42.171) on NASA Form 1430A.

18-42.203 Retention of contract administration.

The assignment of contract administration is optional for the contracts and situations listed below:

(a) Research and development study contracts not involving deliverable hardware or Government property in the hands of contractors.

(b) All contracts with delivery schedules of 90 days or less.

(c) Purchase orders having no Government source inspection requirements.

(d) Work performed at the installation awarding the contract.

(e) Contract work performed in the vicinity of the installation awarding the contract for which DOD contract administration services are not reasonably available.

18-42.270 Contracting officer's technical representative (COTR) delegations.

(a) A contracting officer may designate an appropriate Government employee to act as the contracting officer's authorized representative in administering a particular contract. If necessary, the contracting officer may designate an alternate COTR to act during short absences of the COTR; the policies and procedures for COTRs shall apply also to alternate COTRs. Technical organizations are responsible for ensuring that the individual they recommend to the contracting officer possesses qualifications and experience commensurate with the authorities to be delegated and the nature of the contract. The contracting officer shall ensure that the duties and responsibilities delegated do not exceed the limitations at 18-1.670(b).

(b) COTRs shall be designated by name and position title (see the 18-1.670(b) prohibition against delegating COTR duties solely to a position rather than to a named individual). Each COTR designation shall be in writing and shall clearly define the scope and limitations of the COTR's authority. NASA Form 1634, Contracting Officer Technical Representative (COTR) Delegation, shall be used to designate COTRs. The COTR delegation shall be signed by an appropriate contracting officer (see 18-1.670(b)) and shall state that the duties delegated are not redelegable and that the COTR may be personally liable for unauthorized direction. (However, this does not prohibit the COTR from having assistants for the purpose of monitoring contractor progress and gathering information.) When an individual is to act for a contracting officer on more than one contract, separate delegations shall be issued for each contract. A separate NASA Form 1634 may be modified as necessary to designate an alternate COTR; alternates may act only during official absences of the COTR such as leave, TDY, or other special assignments. The delegated duties of the alternate may not exceed those of the COTR.

(c) A COTR delegation remains in effect throughout the life of the contract unless cancelled in writing by an appropriate contracting officer. The contracting officer may modify the scope and limitations of a COTR assignment only by cancelling the delegation and issuing a new delegation.

(d) A COTR may not be authorized to initiate procurement actions by use of purchase orders or to place calls or delivery orders under indefinite-delivery contracts or basic ordering agreements. A COTR may not be authorized to award, agree to, or sign any contract or modification or in any way obligate the payment of money by the Government. The COTR is not authorized to issue technical direction unless the clause at 18-52.242-70, Technical Direction, prescribed in 18-42.7001, is included in the contract and the authorization is specifically listed in paragraph 3(m) of the COTR delegation letter (NASA Form 1634). However, delegations may be made to construction contract COTRs to sign emergency change orders with an estimated value not to exceed $2,500, onsite at construction sites, if sufficient funds have been certified to cover the emergency change.

(e) The contracting officer shall send the original and one copy of the COTR delegation letter to the COTR, who shall be required to acknowledge receipt by signing the original and returning it to the contracting officer. The original of the COTR delegation letter shall be filed and retained in the applicable contract file. Copies of the COTR delegation letter shall be distributed to the contractor and to each cognizant contract administration office. Acknowledgement and distribution for terminations of COTR delegations and COTR delegations that revise duties shall follow the same rules.

SUBPART 18-42.3 CONTRACT ADMINISTRATION OFFICE FUNCTIONS

18-42.302 Contract administration functions.

The cognizant CAO shall perform the additional contract administration functions listed below:

(a) Determine billing rates and final indirect cost rates.

(b) Issue cure and show cause letters after approval of the NASA contracting officer.

(c) Monitor the contractor's system for control of overtime.

(d) Assure that overtime compensation is in accordance with the terms of the contract, or in the absence of contractual coverage, that any excepted overtime charged is reasonable and properly allocable.

(e) Negotiate changes to interim billing prices when authorized by the NASA contracting officer.

18-42.302-70 Modified functions.

In connection with the functions listed at FAR 42.302(a)(11)(ii) and (iii), the following exception applies: for those contractors with whom advance agreements of the type discussed in FAR 31.205-18 are negotiated, the Government contracting officer responsible for the agreements shall have full authority for determinations related to CAS 420.

SUBPART 42.7
INDIRECT COST RATES

18-42.705 Final indirect cost rates.

18-42.705-70 NASA Policy.

(a) Since many NASA contractors are under DOD's final overhead rate determination procedure, NASA's policy is to participate jointly with DOD for those companies where NASA has a major financial interest. The NASA participant shall be a representative from that installation having the predominance of NASA work.

(b) When NASA has been assigned the final overhead rate determination authority, settlement of overhead costs shall be conducted by that installation having the predominance of NASA work.

SUBPART 18-42.8
DISALLOWANCE OF COSTS

18-42.803 Disallowing costs after incurrence.

(a) Under the authority of FAR 42.803, NASA has designated the contract auditor as the contracting officer's representative for (1) promptly examining reimbursement vouchers received directly from contractors, (2) promptly transmitting vouchers approved for provisional payment to the cognizant fiscal or financial management officer, and (3), regarding costs claimed, but not considered allowable, preparing and sending to the cognizant contracting officer NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved. Normally, the NASA Form 456 is initiated by the auditor; however, the contracting officer also may initiate it or direct its initiation. In accordance with any instructions received from the contracting officer, the contract auditor shall promptly examine and approve (but see paragraph (b) below) separate fee vouchers and fee portions of vouchers for provisional payment under the contract. After examination, the auditor shall forward completion vouchers to the contracting officer for approval and transmittal to the cognizant fiscal or financial management officer.

(b) When audit functions are delegated, special instructions may be issued to the contract auditor to --

(1) Require submission of separate vouchers for reimbursable costs and for payment of earned fee; and/or

(2) Reserve to the contracting officer approval of separate fee vouchers and all vouchers submitted by contractors performing at a NASA installation.

(c) Unless otherwise notified, the contractor shall be required to submit public vouchers to the auditor as follows:

(1) One original SF 1034, SF 1035, or equivalent contractor's attachment shall be submitted.

(2) Seven copies of SF 1034A, SF 1035A, or equivalent contractor's attachment shall be submitted.

(3) The contractor shall mark SF 1034A copies 1, 2, 3, 4, and such other copies as may be directed by the contracting officer by inserting in the memorandum block names and addresses as follows:

(i) Copy 1, NASA contracting officer.

(ii) Copy 2, Defense Contract Audit Agency auditor.

(iii) Copy 3, Contractor.

(iv) Copy 4, Contract administration office.

(v) Copy 5, Project management office (when required by the NASA contracting officer).

(4) The auditor shall retain an unpaid copy of the voucher.

(5) When a voucher contains one or more individual direct freight charges of $100 or more, an additional copy of SF 1034A and SF 1035A shall be submitted and marked for return to the contractor after payment. This copy shall be transmitted quarterly by the contractor with the freight bills to the General Services Administration. When a voucher is identified as the "Completion Voucher," an additional copy shall be submitted for transmittal to the NASA contracting officer.

(d) Following a prompt and careful review of the facts and circumstances leading the auditor to initiate the NASA Form 456, and after coordination with other NASA and DOD contracting officers administering contracts with the same contractor under which a NASA Form 456, or a DCAA Form 1 in the case of a DOD contract, has been issued for the same items of cost, the contracting officer shall take one of the following actions:

(1) Countersign the NASA Form 456 disapproving the costs.

(2) Countersign the NASA Form 456 suspending the costs.

(3) Issue a new NASA Form 456 suspending the costs rather than disapproving them pending resolution of the issues.

(4) Have the contractor issue a new voucher removing the costs in question from its claim and return the NASA Form 456 to the auditor unsigned.

(5) Return the unsigned NASA Form 456 to the auditor with a detailed explanation of why the suspension or disapproval is not being countersigned, and process the contractor's claim for payment.

(e) The contracting officer, when in agreement with the NASA Form 456 initiated by the auditor, shall assign a notice number and shall countersign the form. An original and three copies (which includes two acknowledgement copies, one each for return to the contracting officer and the auditor) of the form shall be sent to the contractor by certified mail, return receipt requested; one copy shall be attached to the SF 1034 and each copy of the SF 1034A (see paragraph (c) above)) on which the deduction is made, and one copy shall be sent to the auditor.

(f) The total amount suspended or disapproved, as shown on the NASA Form 456, shall be inserted in the Differences block of the SF 1034 and SF 1034A, citing the applicable NASA Form 456.

(g) (1) If the amount of the deduction is more than the amount of the public voucher, the installment method of deduction shall be applied to this and subsequent public vouchers until the amount is fully liquidated. The deductions on any voucher may not exceed the voucher amount, to avoid processing of a voucher in a credit amount. Public voucher(s) with zero amounts must be forwarded to the fiscal or financial management office for appropriate action.

(2) If deductions are in excess of contractor claims, recovery may be made through a direct refund from the contractor, in the form of a check payable to NASA, or by a set-off deduction from the voucher(s) submitted by the contractor under any other contract, unless those contracts contain a "no set-off" provision. If a set-off is effected, the voucher(s) from which the deduction is made should be annotated to identify the contract and appropriation affected and the applicable NASA Form 456.

(h) When necessary, the contracting officer should consult with the auditor or the financial management officer concerning preparation, examination, and payment of vouchers. Functions to be performed by auditors and financial management and fiscal office personnel during the examination of vouchers are in FMM 9630.

SUBPART 18-42.10 NEGOTIATING ADVANCE AGREEMENTS FOR INDEPENDENT RESEARCH AND DEVELOPMENT/BID AND PROPOSAL COSTS

18-42.1004 Location of negotiators in a central office.

Within NASA, the central office responsible for advance agreements is the Contract Pricing and Finance Office (Code HC), Office of Procurement, NASA Headquarters.

18-42.1008 Administrative appeals.

The NASA administrative appeals hearing group consists of the Assistant Administrator for Procurement, who shall be chairman, the Deputy Associate Administrator for Aeronautics and Space Technology, and the Deputy General Counsel.

SUBPART 18-42.12
NOVATION AND CHANGE-OF-NAME AGREEMENTS

18-42.1200 Scope of subpart.

This subpart implements and supplements FAR Subpart 42.12 and prescribes policies and procedures for processing novation or change-of-name agreements initiated by either a NASA installation or by DOD on behalf of NASA.

18-42.1202 Responsibility for executing agreements.

When none of the affected contracts has been assigned to an administrative contracting officer (see FAR 42.1202(a)(2)), the contracting officer shall require the contractor to provide the documentation enumerated in FAR 42.1204(c)(or, as appropriate, FAR 42.1205(a)) to the NASA installation with which it has the largest amount of unliquidated obligations. This installation shall be the "designated installation" for processing and executing novation agreements and change-of-name agreements with the contractor.

18-42.1203 Processing agreements.

(a) The installation shall immediately notify the Assistant Administrator for Procurement (Code HM) of the request to execute a novation (successor-in-interest) or change-of-name agreement. The notification shall include (1) the names of the firms involved, (2) the name of the installation that will execute the agreement, and (3) the type of agreement.

(b) When the Standard Form 30 required by FAR 42.1203(f)(1) is prepared, a supplemental agreement number need not be obtained for contracts other than the one under which the supplemental agreement is written. For distribution purposes, the Standard Form 30 shall also include the names and addresses of the installations with contracts subject to the agreement.

(c) After execution of the supplemental agreement, the designated installation shall--

(1) Forward one authenticated copy to Code HM; and

(2) Advise each of the affected installations by letter of the consummation of the supplemental agreement, requesting that an administrative change be issued for each affected contract and enclosing a copy of the supplemental agreement.

(d) For each affected contract, the contracting officer shall prepare an administrative change acknowledging the successor-in-interest or the change in name. The administrative change shall receive the same distribution as the affected contract. It shall indicate the nature of the transaction and the result attained and shall cite the number of the contract with which the original relevant documents and supplemental agreement are filed.

18-42.1203-70 DOD processing of novation and change-of-name agreements on behalf of NASA.

(a) Appendix E of the NASA/DOD Agreement for Contract Administration and Contract Audit Services covers the accomplishment of novation and change-of-name agreements by DOD on behalf of NASA.

(b) Code HM shall notify installations when DOD is processing a proposed novation agreement on behalf of NASA. Within 20 days after receiving it, the installation shall submit comments to

Code HM for transmittal to DOD. With the concurrence of Code HS, an installation may execute a separate agreement with the contractor. In that event, Code HM shall notify DOD accordingly, and the installation shall process a separate agreement in accordance with FAR 42.1203.

(c) Code HM shall maintain copies of agreements executed by DOD on behalf of NASA.

SUBPART 18-42.14
TRAFFIC AND TRANSPORTATION MANAGEMENT

18-42.1405 Discrepancies incident to shipment of supplies.

In addition to following the applicable regulations and procedures referenced at FAR 42.1405(a), NASA personnel shall report discrepancies and adjust claims for loss of and damage to Government property in transit as prescribed in NHB 6200.1, NASA Transportation and General Traffic Management.

SUBPART 18-42.70
NASA CONTRACT CLAUSES

18-42.7001 Technical direction.

The contracting officer shall insert the clause at 18-52.242-70, Technical Direction, in cost-reimbursement solicitations and contracts if (1) technical direction as defined in the clause (which includes the Government's approving approaches and solutions of the contractor and shifting emphasis among work areas or tasks) is appropriate to accomplish the contract requirements effectively, (2) the statement of work is conducive to technical direction by the Government, and (3) technical direction is to be in writing. Identify this duty in subparagraph 3(m), "Other duties as follows" of NASA Form 1634 (see 18-42.270). This clause addresses COTR responsibilities that are in addition to those discussed in subparagraphs 3(a)-(l) of the COTR delegation and is not intended to be followed in fulfilling those other responsibilities. The clause is not authorized for use with institutions of higher education and other non-profit organizations.

18-42.7002 Travel outside of the United States.

(a) The contracting officer shall insert the clause at 18-52.242-71, Travel Outside of the United States, in cost-reimbursement solicitations and contracts where a contractor may travel outside of the United States and it is appropriate to require Government approval of the travel.

(b) Add Alternate I to the clause at 18-52.242-71 if the contractor is an institution of higher education or other nonprofit organization.

18-42.7003 Observance of legal holidays.

(a) The contracting officer shall insert the clause at 18-52.242-72, Observance of Legal Holidays, in contracts when notification to the contractor of Government holidays would be useful in administering the contract.

(b) The clause shall be used with its Alternate I in cost-reimbursement contracts when work will be performed at a NASA installation and it is desired that contractor employees observe the same holidays as Government employees. This alternate may be appropriately modified for fixed-price contracts.

PART 18-43

CONTRACT MODIFICATIONS

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PART 18-43
CONTRACT MODIFICATIONS

SUBPART 18-43.2
CHANGE ORDERS

18-43.205 Contract clauses.

As permitted by the clause preface, when the clause at FAR 52.243-1, 52.243-2, or 52.243-3 (Changes--Fixed-Price, Changes--Cost-Reimbursement, or Changes--Time-and-Materials or Labor-Hours) is used, the 30-day period within which the contractor must assert its right to an adjustment may be varied not to exceed 60 days.

18-43.205-70 NASA contract clause.

(a) The contracting officer may use the clause at 18-52.243-70, Engineering Change Proposals, in contracts to require the contractor to submit engineering change impact evaluation information, including the maximum equitable adjustment resulting from the change. The term "price" in paragraph (b) of the clause may be changed to suit the specific type of contract. A local format may be substituted for the second reference in clause paragraph (a) to DOD-STD-480A. The basic clause is suitable for fixed-price contracts.

(b) If it is desirable to preclude a large number of small-dollar, contractor-initiated engineering changes and to reduce the administrative cost of reviewing them, the contracting officer shall use the clause with its Alternate I.

(c) If the contract is a cost-reimbursement contract, the contracting officer shall use the clause with its Alternate II.

18-43.270 Originating engineering change proposals.

Either party to the contract may originate engineering changes. The originator must provide detailed information supporting and documenting the proposed change so that the Government can evaluate the technical, cost, and schedule effects of implementing the change and can price the change in advance, when possible.

SUBPART 18-43.3
FORMS

18-43.301 Use of forms.

(a) FAR 43.301(a)(1) requires the use of Standard Form 30, Amendment of Solicitation/Modification of Contract, for administrative changes such as changes in accounting and appropriation data. Contract modifications should include only fund citations (i.e., accounting and appropriations data) applicable to the particular modification. The cumulative inception-to-date listing of funding citations for previous modifications is discouraged unless there is a contractual need requiring such a listing. Modifications should include, as a minimum, the prior total funding, the change taking place, and a new total value.

(b) When an internal administrative change of funding citations relative to a contract is required, the official determining the need for the change shall request it, obtain applicable installation approvals, and then forward documentation to the financial management officer and the contracting officer to facilitate it. An administrative modification of the contract is not required unless it affects the billing or reporting requirements placed upon the contractor.

(c) These procedures do not reduce the contracting officer's responsibility for ensuring that obligations are made only on the basis of appropriated funds.

PART 18-44

SUBCONTRACTING POLICIES AND PROCEDURES

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PART 18-44
SUBCONTRACTING POLICIES AND PROCEDURES

SUBPART 18-44.1
GENERAL

18-44.102 Policy.

18-44.102-70 Special contracting officer consent requirements for critical subcontracts.

If the contracting officer (in conjunction with the technical representative, when appropriate) determines that a proposed subcontract may be critical because of special considerations in the source selection or in the incentive arrangements, or for other reasons, a requirement shall be included in the Schedule of the prime contract (if not already provided for in the standard subcontracts clause) for the contracting officer to be notified of and consent to the critical subcontract before its award by the contractor.

18-44.102-71 Headquarters review of critical subcontracts.

(a) If a requirement is established by the Headquarters source selection official or the Assistant Administrator for Procurement for a Headquarters review of a critical subcontract prior to its award, the contracting officer shall --

(1) Require consent as specified in 18-44.102-70; and

(2) Before consenting to the subcontract, submit to the Assistant Administrator for Procurement (Code HS) for review --

(i) The subcontract;

(ii) Contractor documentation in support of the subcontract (including that required by the notification provisions of the subcontracts clause); and

(iii) The contracting officer's review and evaluation (in accordance with FAR 44.202), with appropriate recommendations.

(b) Consent shall not be granted by the contracting officer until notification (with limitations and objections, if any) is received from the Assistant Administrator for Procurement.

18-44.102-72 New sources of scientific and technical competence.

As a Government agency whose mission involves substantial Federal expenditures and use of national resources, NASA has a strong interest in helping accomplish collateral national economic goals within the framework of applicable statutory and administrative authority in a way that will not impair program effectiveness. Utilization in the space program and the accompanying development of the potential of all geographical regions will effectively contribute to achieving national goals. To advance the further development of competence and capacity of sources, NASA encourages the placing of subcontracts over wider geographic areas. To carry out these objectives, the clause at 18-52.244-70, Geographic Participation in the Aerospace Program, shall be used as prescribed at 18-44.170.

18-44.170 NASA contract clause.

The contracting officer shall insert the clause at 18-52.244-70, Geographic Participation in the Aerospace Program, in all research and development solicitations anticipated to exceed $500,000 and in resulting contracts of $500,000 or over to be performed within the United States.

SUBPART 18-44.3
CONTRACTORS' PURCHASING SYSTEMS REVIEWS

18-44.302 Requirements.

18-44.302-70 Contractors' purchasing systems reviews conducted by the Department of Defense.

(a) Under FAR 42.202 and 42.302(a)(50), assignment of contract administration automatically confers authority to conduct a contractor purchasing system review (CPSR) and approve or disapprove a contractor's purchasing system. In accordance with FAR 44.307, when assigning contract administration to a DOD contract administration office, the contracting officer shall include in the letter of delegation of contract administration functions a requirement for the contract administration office to send one copy of each CPSR summary report to the cognizant NASA contracting officer.

(b) NASA installations desiring to provide full-time participants for any DOD CPSR shall forward a request for such participation to the Assistant Administrator for Procurement (Code HM) for approval. Incidental assistance by NASA personnel to DOD personnel who are performing CPSRs for NASA does not require Headquarters approval.

(c) Contracting officers shall advise the cognizant DOD contract administration office of weaknesses in a contractor's purchasing system that have come to light during the review of subcontracts or from other sources.

(d) Contracting officers are responsible for reviewing DOD summary reports (which include present system status, comments, conclusions, recommendations, and significant changes effected since the review) and notifications to contractors. When there is a determination that is at variance with the summary report or actions taken by DOD, the contracting officer shall forward a request for approval of alternative actions, with justification, to Code HM. Similarly, a contracting officer desiring the withdrawal of a DOD approval of a contractor's purchasing system on the basis of a determination that there has been a deterioration of the system, or to otherwise protect the Government's interests shall forward a request for such withdrawal to Code HM with appropriate justification.

18-44.302-71 NASA-conducted contractor's purchasing systems reviews.

If a NASA activity is the cognizant contract administration office, that office may use DAR Supplement No. 1, Contractor Purchasing System Review (CPSR) Program, as incorporated in the DOD FAR Supplement, as a guide.

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PART 18-45

GOVERNMENT PROPERTY

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PART 18-45
GOVERNMENT PROPERTY

SUBPART 18-45.1
GENERAL

18-45.102 Policy.

(a) One reason for the policy in FAR 45.102 that contractors shall ordinarily furnish all property is that providing Government property (whether Government-furnished or contractor-acquired) increases the Government's administrative burden and requires recordkeeping and personnel. Providing property may dilute the contractor's overall responsibility and weaken guarantees, end-item delivery requirements, and other contract terms. Furnishing property places NASA between the source of the property and the contractor. When NASA assumes responsibility for scheduling delivery of the property, NASA may be responsible for delays.

(b) Nevertheless, sometimes providing Government property to contractors may be essential to contract performance or otherwise advantageous to NASA. For example, furnishing standardized production property and raw materials may be necessary for uniformity of products. Furnishing Government property can reduce the production cycle by eliminating the lead time necessary for the contractor to acquire or fabricate production property. NASA may be able to broaden its competitive base by offering property to firms unable to acquire their own, or by offering production property or critical material not generally available throughout the industry. NASA may lower contract costs by offering existing Government property or new Government property obtainable at prices lower than those available to the contractor. NASA may also provide Government property to educational or other nonprofit institutions to facilitate scientific research.

18-45.102-70 Procedures.

The contracting officer shall, as applicable, include in each solicitation a --

(a) List of any Government property (showing location and condition), including Government-owned tooling, that will be furnished for the performance of the contract and any related special provisions;

(b) Requirement that information be furnished regarding (1) any Government-owned facilities or items of industrial equipment or special tooling requested to be used in performing the contract, (2) their acquisition cost, (3) identification of the Government contract under which the property is accountable, (4) rental provisions, and (5) other relevant matters;

(c) Requirement that additional facilities that the offeror requests to be provided by the Government be described and identified by category, such as "Land," "Buildings," and "Equipment" (see Subpart 18-45.71); and

(d) Requirement that additional special test equipment that the offeror requests to be provided by the Government be described and its intended use, estimated cost, and proposed location be shown.

18-45.104 Review and correction of contractors' property control systems.

(a) When review of the contractor's property control system is not delegated to DOD, the NASA contracting officer or property administrator shall conduct the review as required in Subpart 18-45.72.

(b) In each solicitation under which use of Government property is contemplated, the contracting officer shall require the offeror to --

(1) Furnish the date of the last Government review of its property control and accounting system and describe actions taken to correct any deficiencies found;

(2) State that the offeror has reviewed, understands, and can comply with all property management and accounting procedures in the solicitation, FAR Subpart 45.5, and Subparts 18-45.5, 18-45.70, and 18-45.71 of this Regulation; and

(3) State whether the costs associated with subparagraph (2) above are included in its cost proposal.

18-45.104-70 Contract property administration by the Government.

DOD will conduct contract property administration in accordance with their regulations and procedures and NASA special delegation instructions. When property administration is not delegated to DOD, NASA shall conduct contract property administration in accordance with Subpart 18-45.72.

18-45.106 Government property clauses.

In addition to the applicable Government property clauses prescribed in FAR 45.106, the contracting officer shall insert the following clause(s) and provision as appropriate.

18-45.106-70 NASA contract clauses and solicitation provision.

(a) The contracting officer shall insert the clause at 18-52.245-70, Acquisition of Centrally Reportable Equipment, in all solicitations and contracts that include a Government property clause. See 18-45.7103 and the clause at 18-52.245-70 for instructions on preparing DD Form 1419.

(b) (1) The contracting officer shall insert the clause at 18-52.245-71, Installation-Provided Government Property, in solicitations and contracts when Government property is to be provided to on-site contractors, and the Government will retain accountability for the property. The contracting officer shall identify in the contract Schedule the nature and extent of such property and the installation supply and equipment management officer will make such property available to the contractor on a no-charge-for-use basis. The contracting officer shall also list in the contract the applicable installation property management directives.

(2) Contracting officers may also use the clause if Government property is provided to off-site local support service contractors. In this case, the concurrence of the installation supply and equipment management officer must be obtained and indicated in the procurement request.

(3) To avoid diluting contractor responsibilities when they include separate procurement authority and responsibility, contracting officers may preclude such contractors from utilizing the installation's central receiving facility for receiving contractor-acquired property. To accomplish this, the contracting officer shall use the clause with its Alternate I. The contracting officer shall review the acquisitions reported by the contractor for their appropriateness, and the supply and equipment management officer shall ensure that records are established.

(4) Contracting officers shall clearly identify in a separate schedule any property provided under a Government property clause but not also subject to the clause at 18-52.245-71. The contracting officer shall address any

specific maintenance considerations (for example, requiring use of a central calibration facility) elsewhere in the contract.

(c) The contracting officer shall insert the clause at 18-52.245-72, Liability for Government Property Furnished for Repair and Services, in fixed-price solicitations and contracts (except for experimental, developmental, or research work with educational or nonprofit institutions, where no profit is contemplated) for repair, modification, rehabilitation, or other servicing of Government property, if such property is to be furnished to a contractor for that purpose. If (1) a substantial quantity of parts or material will be furnished, (2) a significant amount of scrap will result from the work to be performed, or (3) other Government property will be furnished to or acquired by the contractor, the contract will also contain the appropriate Government property clause (see FAR 45.106) and the contract Schedule shall provide that such property shall be governed by the terms of that clause. When minor repairs are obtained under small purchase procedures, the procedures of this paragraph (c) shall not apply. Contracting officers shall not require additional insurance under the clause at 18-52.245-72 unless the circumstances clearly indicate advantages to the Government.

(d) The contracting officer shall insert the clause at 18-52.245-73, Financial Reporting of Government-Owned/Contractor-Held Property, in all contracts unless (1) it is virtually certain that Government property will not be furnished to or acquired by the contractor (e.g., as in most study contracts and certain contracts for services), (2) the only property to be provided is for the purpose of repair or servicing (see 18-52.245-72), or (3) all property to be provided is subject to the clause at 18-52.245-71, Installation-Provided Government Property (see paragraph (b) above). Reporting shall be on an annual basis except when an on-site contractor performs property acquisition and management for the Government. In these cases, the Government may require more frequent reporting, and the contracting officer shall use the clause with its Alternate I (monthly reporting) or Alternate II (quarterly reporting) as appropriate. The contracting officer shall insert in the clause the address and office code of a single organization within the cognizant NASA installation designated as the focal point for control and distribution of NASA Form 1018.

(e) The contracting officer shall insert the clause at 18-52.245-74, Contractor Accountable On-Site Government Property, in solicitations and contracts when accountability rests with an on-site contractor. The contracting officer shall obtain approval to use the clause at 18-52.245-74 in lieu of the clause at 18-52.245-71 from Director, Supply and Equipment Management Division (Code NIE), NASA Headquarters. The request for approval shall be written and shall include a determination of costs that will be (i) avoided (e.g., additional costs to the installation's property management systems and staffing) and (ii) incurred (e.g., reimbursable costs of the contractor to implement, staff, and operate separate property management systems on-site, and resources needed for performance of, or reimbursement for, property administration) under contractor accountability.

(f) The contracting officer shall insert the clause at 18-52.245-75, Title to Equipment, in solicitations and contracts where the clause at FAR 52.245-2 (Alternate II) or 52.245-5 (Alternate I) is used. Insert a dollar value not less than $5,000, based on the particular procurement, and identify the property for which vesting of title with the Government is appropriate.

(g) The contracting officer shall insert the clause at 18-52.245-76, List of Government-Furnished Property, in solicitations and contracts if the contractor is to be accountable under the contract for Government property. Insert the name of the Government installation, contractor's plant, or other site(s) where the Government property will be used. Insert a description of the item(s), quantity, acquisition cost, and date the property will be furnished to the contractor.

(h) The contracting officer shall insert the clause at 18-52.245-77, List of Installation-Provided Property and Services, in solicitations and contracts that authorize contractor use of on-site Government property and services, such as office space, the cafeteria, or first-aid. Insert the attachment number identifying the equipment to be made available to the contractor. Insert the name of the installation service facilities, such as a library, computer facility, or health center, that the contractor will be authorized to use. The property and services may be specified, modified, and updated to meet the needs of the particular procurement.

(i) The contracting officer shall insert the clause at 18-52.245-78, Space Hardware Reporting, in solicitations and contracts where space hardware reporting is contemplated. Insert the space hardware to be reported.

(j) The contracting officer shall insert the provision at 18-52.245-79, Use of Government-Owned Property, in all solicitations when Government property may be used by the contractor.

(k) The contracting officer shall insert the clause at 18-52.245-80, Use of Government Production and Research Property on a No-Charge Basis, in solicitations and contracts when Government production and research property (facilities, special test equipment, or special tooling) accountable under another contract(s) is authorized for use. Insert the contract number(s) under which the Government property is accountable.

18-45.106-71 Plant reconversion and plant clearance.

The contracting officer must obtain the prior approval of the Assistant Administrator for Procurement (Code H) for any solicitation provision or contract clause that would defer negotiation of costs for plant reconversion or plant clearance until after award.

SUBPART 18-45.3
PROVIDING GOVERNMENT PROPERTY TO CONTRACTORS

18-45.301 Definitions.

"Provide," as used in this subpart in such phrases as "Government property provided to the contractor" and "Government-provided property," means either to furnish, as in "Government-furnished property," or to permit to be acquired, as in "contractor-acquired property." See FAR 45.101 for definitions of "contractor-acquired property" and "Government-furnished property."

"Space property," (see 18-45.501).

18-45.302 Providing facilities.

18-45.302-1 Policy.

(a) The Directors of NASA field installations have been designated (see NASA Management Instruction (NMI) 5101.24, Delegation of Authority--To Take Actions in Procurement, Grants, Cooperative Agreements, and Related Matters [Various Officials]) to make determinations required by FAR 45.302-1(a)(4) on providing Government facilities.

(b) When any of the conditions listed in FAR 45.302-1(d) is met, the requirements of FAR 45.302-1(a)(4) do not apply.

18-45.302-2 Facilities contracts.

Unless termination would be detrimental to the Government's interests, contracting officers shall terminate facilities contracts when the Government production and research property is no longer required for the performance of Government contracts or subcontracts. Contracting officers shall not grant the contractor the unilateral right to extend the time during which it is entitled to use the property provided under the facilities contract.

18-45.302-3 Other contracts.

In addition to the conditions listed in FAR 45.302-3, the contracting officer may also provide facilities to a contractor under a contract other than a facilities contract if the contract is for less than 6 months or provides fewer than 6 items of plant equipment and no other facilities.

18-45.302-70 Securing approval of facilities projects.

(a) Pursuant to NMI 7330.1, the contracting officer must approve facilities projects involving leasing, construction, expansion, modification, rehabilitation, repair, or replacement of real property.

(b) The contracting officer's written authorization is required before any change is made in the scope or estimated cost of any facilities project.

18-45.302-71 Acquisition of ADPE.

Any contractor proposed acquisition of automatic data processing equipment as defined in the FIRMR shall be --

(a) Submitted on DD Form 1419, or equivalent format, through the contracting officer to the installation's ADPE staff, for screening availability; and

(b) Approved in accordance with the provisions of NASA Handbook 2410.1, "Information Processing Resources Management."

18-45.302-72 Long-term facilities use.

For procurements in which (a) the proposed contract, exclusive of options, will be for a shorter period than the useful life, for the program, of any required contractor-owned or leased facilities, and (b) the facilities are unlikely to be needed by the contractor for any purpose other than the program effort being contracted for, see 18-7.170-1(i).

SUBPART 18-45.4 CONTRACTOR USE AND RENTAL OF GOVERNMENT PROPERTY

18-45.402 Authorizing use of Government production and research property.

(a) A NASA contracting officer desiring to authorize use of Government production and research property under the cognizance of another contracting officer shall obtain that contracting officer's concurrence. If concurrence is denied, the contracting officer shall raise the matter to a level above that of the cognizant contracting officer.

(b) NASA contracting officers having cognizance over NASA production and research property may authorize its use on contracts of other agencies if such use will not interfere with NASA's primary purpose for the property and will not extend beyond the expected expiration or completion date of the NASA contract.

18-45.403 Rental--Use and Charges clause.

The Directors of NASA field installations have been designated (see NMI 5101.24, Delegation of Authority--To Take Actions in Procurement, Grants, Cooperative Agreements, and Related Matters [Various Officials]) to make the determinations required by FAR 45.403(a) on modified rental rates.

18-45.405 Contracts with foreign governments or international organizations.

(a) It is NASA's policy to recover a fair share of the cost of Government production and research property if such property is used in performing services or manufacturing articles for foreign countries or for international organizations.

(b) The prior written approval of the Assistant Administrator for Procurement (Code H) is required for the use of Government production and research property on work for foreign countries or for international organizations. Before requesting approval, the contracting officer shall obtain the concurrence of the Director, Supply and Equipment Management Division (Code NIE), the General Counsel (Code G), and the Director, International Relations Division (Code XI).

(c) Contracting officers shall forward requests for approval to the Assistant Administrator for Procurement (Code H), along with a summary of the circumstances involved, including at least --

(1) The name of the requesting contractor;

(2) The number of the contract under which the equipment is controlled;

(3) A description of the equipment;

(4) The name of the foreign contractor and the relationship of the foreign contractor to its government or to any international organization;

(5) A description of the articles to be manufactured or services to be performed;

(6) A statement that the intended use will not interfere with the current or foreseeable requirements of the United States or require use of the equipment beyond the expected expiration or completion date of the NASA contract;

(7) A statement that the foreign government's placement of the contract directly with the contractor and the use of Government production and research property is consistent with the best interests of the United States;

(8) A statement that such use is legally authorized; and

(9) Any evidence of endorsement by another agency of the U.S. Government based on national security or foreign policy of the United States.

(d) Use, if approved, shall be subject to rent in accordance with FAR 45.403.

18-45.406 Use of Government production and research property on independent research and development programs.

Contractors generally will not be authorized to use Government property for independent research and development on a rent-free basis except in unusual circumstances when it has been determined by the contracting officer that --

(a) Such use is clearly in the best interests of the Government (for example, the project can reasonably be expected to be of value in specific Government programs); and

(b) The policy in FAR 45.201 is adhered to in that no competitive advantage will accrue to the contractor through such use.

18-45.407 Non-Government use of plant equipment.

Consistent with the guidelines in FAR 45.407, the following procedures apply to the non-Government use of plant equipment:

(a) Before authorizing non-Government use exceeding 25 percent, the contracting officer shall obtain the approval of the Assistant Administrator for Procurement (Code H). In addition, non-Government use of machine tools and secondary metal-forming and -cutting machines (Federal Supply Classes 3405, 3408, 3410, 3411 - 3419, and 3441 - 3449) exceeding 25 percent requires the concurrence of the Director, Supply and Equipment Management Division (Code NIE). Requests for the approval of the Assistant Administrator for Procurement (Code H) shall be submitted at least 6 weeks in advance of the projected use and shall include --

(1) The number of active plant equipment items involved and their total acquisition cost; and

(2) An itemized listing of active equipment having an acquisition cost of $25,000 or more, showing for each item the nomenclature, year of manufacture, and acquisition cost.

(b) The percentage of Government and non-Government use shall be computed on the basis of time available for use. For this purpose, the contractor's normal work schedule, as represented by scheduled production shift hours, shall be used. All active plant equipment having a unit acquisition cost of less than $25,000 located at any single plant may be averaged over a quarterly period. Equipment having a unit acquisition cost of $25,000 or more shall be considered on an item-by-item basis.

(c) Approval for non-Government use shall be for a period not exceeding 1 year. Approval for non-Government use in excess of 25 percent shall not be for less than 3 months.

SUBPART 18-45.5 MANAGEMENT OF GOVERNMENT PROPERTY IN THE POSSESSION OF CONTRACTORS

18-45.501 Definitions.

"Space property" means personal property peculiar to NASA aeronautical and space programs and not otherwise included in the categories of property in FAR 45.501. It includes such items as aircraft, space vehicles, engines, similar components, and related support equipment. The term "space property" is synonymous with the term "agency-peculiar property" as defined in FAR 45.301.

"Centrally reportable equipment (CRE)" means plant equipment, special test equipment (including components), special tooling, and non-flight space property (including ground support equipment) (a) generally commercially available and used as a separate item or component of a system, (b) having an acquisition cost of $1,000 or more, and (c) identifiable by a manufacturer and model number.

18-45.502 Contractor responsibility.

18-45.502-1 Receipts for Government property.

Receipts for Government property shall comply with the instructions for preparing NASA Form 1018, Report of Government-Owned/Contractor-Held Property (see 18-45.7101).

18-45.502-70 Government-furnished property.

All initial Government-furnished property must be described in the contract Schedule or specifications, regardless of property category. Any additional Government-furnished property must be described in a bilateral modification to the contract, with the property categorized and priced. Furthermore, to obtain Government-furnished facilities, the contractor must submit the written statement prescribed by FAR 45.302-1(a)(4). In the event a formal facilities application is also required by the contracting officer, its justification statement on financing will satisfy this requirement.

18-45.502-71 Contractor-acquired property.

All contractor-acquired property must be authorized by the contract and is subject to a determination by the contracting officer that it is allocable to the contract and reasonably necessary. The acquisition (and fabrication) of Government property is further subject to the following conditions, depending on category of property:

(a) **Facilities.**

(1) Prior contracting officer approval, if the facilities are not already described in a contract Schedule as contractor-acquired.

(2) Submission of DD Form 1419, DOD Industrial Plant Requisition, or equivalent format, and return of Certificate of Nonavailability if the facilities qualify as centrally reportable equipment (CRE).

(3) Submission of the written statement prescribed by FAR 45.302-1(a)(4).

(b) **Special test equipment.**

(1) Contracting officer approval 30 days in advance if the equipment is not identified in the invitation for bids (in sealed bidding) or contract (in negotiated procurements).

(2) Submission of DD Form 1419, or equivalent format, and return of Certificate of Nonavailability if the equipment (or any component) qualifies as CRE.

(c) **Special tooling.**

(1) If the contract contains a Subcontracts clause, advance notification to the contracting officer and contracting officer consent if required by that clause.

(2) If the contract is a fixed-price contract, submission of the list to the contracting officer within 60 days after delivery of the first production end items (or later as prescribed by the contracting officer), unless the tooling is already identified in the solicitation.

(3) Submission of DD Form 1419 or equivalent format and return of Certificate of Nonavailability if the tooling (or any component) qualifies as CRE.

(d) **Material.** If the contract contains a Subcontracts clause, advance notification to the contracting officer and contracting officer consent if required by that clause.

(e) **Space Property.**

(1) If the contract contains a Subcontracts clause, advance notification to the contracting officer and contracting officer consent if required by that clause.

(2) Submission of DD Form 1419, or equivalent format, and return of Certificate of Nonavailability if the property (or any component) qualifies as CRE.

18-45.505 Records and reports of Government property.

18-45.505-2 Records of pricing information.

If DD Form 250's are used by a NASA installation as invoices or DD 250's or other shipping/delivery documents are used for property receiving purposes, unit prices must be shown for each item of Government property included on the forms.

18-45.505-670 Reporting centrally reportable equipment (CRE).

(a) NASA-furnished or contractor-acquired CRE as defined in 18-45.501 shall be reported to the NASA Equipment Management System (NEMS). The contractor shall initially report all unreported items in its possession and subsequently shall report items to NEMS (1) at the time of receipt and acceptance of accountability, (2) when major changes occur in the data initially submitted to NASA, and (3) when the equipment is no longer required for or actively being used in pursuit of NASA programs or projects. Reporting shall be accomplished by completing Section I of DD Form 1342, DOD Property Record (see 18-45.7102), or by other means acceptable to the contracting officer, provided DD Form 1342-equivalent data elements are furnished. The data furnished when the equipment is reported pursuant to (3) above shall include the equipment's current condition code. Reportable data shall be forwarded through the contracting officer of the cognizant NASA installation within 15 working days after the event that created the need for their preparation and shall be marked "FOR NEMS".

(b) The forms prepared for components shall be clearly marked "COMPONENT".

(c) Each year, the industrial property officer shall provide the contractor a list of NEMS data bank records as of June 30th for that contractor. The contractor shall verify the list or provide the necessary corrections.

18-45.505-14 Reports of Government property.

(a) **Property accounts.** The contractor's property control system shall be such as to provide the dollar amount of Government property for which the contractor is accountable in the following classifications, in accordance with the instructions in Subpart 18-45.71:

(1) Land and rights in land.
(2) Buildings.
(3) Other structures and facilities.
(4) Leasehold improvements.
(5) Plant equipment.
(6) Special tooling.
(7) Special test equipment.
(8) Material.
(9) Space hardware.

(b) **Facilities, special tooling, and special test equipment.** The contractor's property control system shall identify the items in (a)(1) through (7) above as contractor-acquired or Government-furnished.

(c) **Material and space hardware.** The contractor's property control system shall provide the dollar value of items in (a)(8) and (9) above for which the contractor is accountable. Reporting of material, however, is required only when the balance on hand at the end of the reporting period is $75,000 or more. Reporting of space hardware is required only by direction of the contracting officer.

(d) **Submission of reports.** When required by the contract (see 18-45.106-70(d)), the contractor shall submit a Report of Government-Owned/Contractor-Held Property, NASA Form 1018, in accordance with the instructions in Subpart 18-45.7101 and the contract clause at 18-52.245-73.

18-45.508 Physical inventories.

NASA contractors shall reconcile inventories described in FAR 45.508 with the official property records and submit reports to the property administrator within 30 days after inventory completion. The contractor shall investigate all losses of property and discoveries of unrecorded property to determine the (a) causes of the discrepancy and (b) actions needed to prevent its recurrence.

SUBPART 18-45.6--REPORTING, REDISTRIBUTION, AND DISPOSAL OF CONTRACTOR INVENTORY

18-45.604 Restrictions on purchase or retention of contractor inventory.

(a) No contractor may sell contractor inventory to persons known by it to be NASA or DOD personnel who have been engaged in administering or terminating NASA contracts.

(b) (1) The contractor's or subcontractor's authority to approve sale, purchase, or retention at less than cost by a subcontractor, and the subcontractor's authority to sell, purchase, or retain at less than cost contractor inventory with the approval of the contractor or next higher-tier subcontractor does not include authority to approve --

(i) A sale by a subcontractor to contractor or the next higher-tier subcontractor or to an affiliate of the contractor or of either subcontractor; or

(ii) A sale, purchase, or retention at less than cost by a subcontractor affiliated with the contractor or next higher-tier subcontractor.

(2) Each excluded sale, purchase, or retention requires the written approval of the plant clearance officer.

18-45.606 Inventory schedules.

18-45.606-1 Submission.

See 18-45.505-6 for special instructions on intra-agency screening of centrally reportable equipment (CRE).

18-45.607 Scrap.

18-45.607-70 Contractor's approved scrap procedure.

(a) When a contractor has an approved scrap procedure, certain property may be routinely disposed of in accordance with that procedure and not processed under this subpart.

(b) A plant clearance case shall not be established for property disposed of through the contractor's approved scrap procedure.

(c) The plant clearance officer shall review the contractor's scrap and salvage procedure, particularly regarding sales, before its approval by the property administrator. The plant clearance officer shall ensure that the procedure contains adequate requirements for inspecting and examining items to be disposed as scrap. When the contractor's procedure does not require physical segregation of Government-owned scrap from contractor-owned scrap and separate disposal, care shall be exercised to assure that a contract change that generates a large quantity of property does not result in an inequitable return to the Government. In such a case, the property administrator shall make a determination as to whether separate disposition of Government scrap would be appropriate.

(d) Scrap, other than that disposed of through the contractor's approved scrap procedure, shall be reported on appropriate inventory schedules for disposition in accordance with the provisions of FAR Part 45 and this NASA FAR Supplement.

(e) Silver, gold, platinum, palladium, rhodium, iridium, osmium, and ruthenium;

scrap bearing such metals; and items containing recoverable quantities of them shall be reported to the Defense Reutilization and Marketing Service, DRMS-R, Federal Center, Battle Creek, MI 49017-3092, for instructions regarding disposition.

18-45.608 Screening of contractor inventory.

18-45.608-1 General.

NEMS Coordinators are the focal points at NASA installations for intra-agency screening of centrally reportable equipment (see 18-45.505-670). Property Disposal Officers (PDO's) are the focal points at NASA installations for intra-agency screening of all other contractor inventory. NEMS Coordinators/ PDO's shall acknowledge receipt of inventory schedules within 30 days and simultaneously provide the plant clearance officer a NASA screening completion/ release date. Screening shall be accomplished in accordance with NASA Handbooks 4200.1 and 4300.1.

18-45.608-6 Waiver of screening requirements.

The Director, Supply and Equipment Management Division (Code NIE), has been designated to authorize exceptions to screening requirements.

18-45.610 Sale of surplus contractor inventory.

18-45.610-2 Exemptions from sale by GSA.

Letters seeking exemptions from GSA-conducted sales shall be directed to the Director, Supply and Equipment Management Division (Code NIE).

18-45.610-3 Proceeds of sale.

When payments are due the contractor under the contract, and unless the contract provides otherwise, the Government Property clause requires that the proceeds of any sale, purchase, or retention be (a) credited to the Government as part of the settlement agreement, (b) otherwise credited to the price or cost of the work covered by the contract, or (c) applied in the manner directed by the contracting officer. The plant clearance officer shall maintain an open suspense record until he or she has verified that credit has been applied, unless another Government representative has specifically assumed this responsibility.

18-45.610-4 Contractor inventory in foreign countries.

Foreign disposals shall be accomplished in accordance with NASA Handbook 4300.1.

18-45.613 Property disposal determinations.

Determinations to abandon or destroy NASA contractor inventory shall be referred to the installation PDO for subsequent review by the Property Disposal Review Board under NASA Handbook 4300.1.

18-45.615 Accounting for contractor inventory.

In addition to the distribution requirements for Standard Form 1424, Inventory Disposal Report, a copy of the form shall be provided to the NASA installation Industrial Property Officer or PDO.

SUBPART 18-45.70
NASA EQUIPMENT MANAGEMENT SYSTEM

18-45.7001 Policy.

In accordance with the policies in FAR Part 8, new equipment shall not be designed, developed, or procured unless it is determined that the requirement cannot be satisfied with items already available. Accordingly, before acquisition by an installation or the issuance of an authorization to a contractor to acquire new centrally reportable equipment (see 18-45.501), the NASA Equipment Management System (NEMS) shall be screened and a certificate of non-availability issued by the cognizant installation NEMS Reutilization Coordinator, attesting to the non-availability of existing Government-owned equipment to satisfy the requirement.

18-45.7002 Application.

The NEMS requirements apply to all NASA acquisitions under which equipment reportable to NEMS is acquired either by NASA or by a NASA contractor for use in the performance of NASA work.

18-45.7003 General.

NEMS is an agencywide accountability and control system that includes basic information for reutilization of equipment valued at $500 or more held by NASA installations or $1,000 or more held by NASA contractors. General-purpose or standard items of commercial manufacture are registered in NEMS.

18-45.7004 Interface with NEMS coordinators and technical project office.

NASA contracting officers with contracts subject to NEMS shall maintain close interface with the installation NEMS Reutilization Coordinator and the technical project office in (a) the conduct of contractor reporting to the NEMS, (b) the screening of NEMS records before authorizing contractors to acquire equipment, (c) the reporting and processing of equipment no longer required for NASA programs or projects, and (d) all other matters pertaining to compliance with the property provisions of NASA contracts.

18-45.7005 Retention of NEMS equipment.

The contracting officer may authorize retention of NEMS equipment, provided the contractor requests approval in writing concurrently with reporting to NEMS under the provisions of 18-45.505-670 and provided the equipment is being (a) held for approved future NASA programs and projects identified to a specific requirement or (b) used on other Government work as approved by the contracting officer. Approval for the use of equipment on other Government work shall not exceed 6 months beyond its use on NASA work unless loan of the equipment under an interagency agreement has been arranged or action has been initiated for transfer of the equipment to the using agency and appropriate time is allowed for completing the transfer.

SUBPART 18-45.71
FORMS PREPARATION

18-45.7101 Instructions for preparing NASA Form 1018.

This section provides guidance in the preparation of NASA Form 1018 (see Subpart 18-53.3), which is required of all contractors that have been furnished, or have acquired, Government-owned property under the terms of their contract. The classifications of property, the related costs to be reported, and the reporting requirements are set forth below:

18-45.7101-1 Property classification accounts.

The following property classifications and related costs apply only to financial reporting under NASA Form 1018:

(a) **Land.** This classification includes costs of land, capital improvements to land (except buildings and other structures and facilities), and costs incidental to acquiring and preparing land for use, such as appraisal fees, clearing costs, drainage, grading, landscaping, plats and surveys, removal and relocation of the property of others as part of a purchase contract, removal or destruction of structures or facilities purchased but not used, and legal fees and expenses.

(b) **Buildings.** This classification includes costs of buildings, improvements to buildings, and fixed equipment normally required for the functional use of the building that becomes permanently attached to and made a part of it and cannot be removed without cutting into the walls, ceilings, or floors. Fixed equipment includes plumbing, heating and lighting equipment, elevators, central air-conditioning systems, and built-in safes and vaults. It also includes the cost of all equipment of any type built into, affixed to, or installed in real property if the installation cost, including special foundations or unique utilities or services, or the facility restoration cost after removal, is substantial.

(c) **Other structures and facilities.** This classification includes costs of acquisitions and improvements of other structures and facilities such as airfield pavements; harbor and port facilities; power production facilities and distribution systems; reclamation and irrigation facilities; flood control and navigation aids; storage, industrial, service, and research and development facilities other than buildings; utility systems (heating, sewage, water, and electrical) when they serve several buildings or structures; communication systems; traffic aids; roads and bridges; railroads; monuments and memorials; and nonstructural improvements such as sidewalks, parking areas, and fences. It also includes the cost of all equipment of any type built-in, affixed, or installed where the installation cost, including special foundations or unique utilities or services, or the facility restoration cost after removal, is substantial.

(d) **Leasehold improvements.** This classification includes NASA funded costs of long-term capital improvements (more than 3 years) to leases, rights, interests, and privileges relating to land such as easements, rights-of-way, permits, use agreements, and water, air, and mineral rights. It also includes NASA funded costs of improvements (costing $5,000 or more and determined to be a capital asset) made to land, buildings, and other structures and facilities occupied by a NASA contractor, but leased either indirectly through contract or directly by NASA rather than owned by NASA.

However, the cost of NASA-owned buildings and other structures and facilities (and improvements to them that meet the criteria for capitalization) occupied by a NASA contractor and located on land not owned by NASA shall be included in the appropriate account(s) described in paragraphs (a), (b), and (c) above. A single improvement shall not be accomplished in increments of less than $5,000 in order to avoid adjustment to the fixed asset accounts.

(e) **Plant equipment.** This classification includes costs of personal property of a capital nature for use in manufacturing supplies, performing services, or for any administrative or general plan purpose, which --

(1) has a unit cost of $5,000 or more;
(2) has a useful life of 2 years or more; and
(3) will not be consumed in an experiment.

It includes equipment, machine tools, furniture, vehicles, accessory or auxiliary items, and test equipment (but not special test equipment, special tooling, or space hardware as defined in paragraphs (f), (g), and (i)).

(f) **Special tooling.** This classification includes the cost of jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, that are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include the cost of material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items.

(g) **Special test equipment.** This classification includes costs of either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract; items or assemblies of equipment, including standard or general purpose items or components, that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include costs of material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

(h) **Material.** This classification includes costs of property that may be (1) incorporated into or attached to an end item to be delivered under a contract or (2) consumed or expended in performing a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, and small tools and supplies that may be consumed in normal use in performing a contract. This classification does not include material that is part of space hardware work in process reported on NASA Form 1018, Schedule II, when required by the terms of the agreement, or material that has been issued from inventory and charged to a contract item. It is intended to include all Government-owned material that normally would be considered as materials inventory for balance-sheet purposes.

(i) **Space hardware.** This classification applies only to those items of space property and components specifically identified in the Annual List of Selected Items of Space Hardware (see 18-45.7101-6). It includes the cost of personal property unique to NASA aeronautical and space programs and not otherwise included in the classifications of property set forth in paragraphs (a) through (h) above. Space hardware is divided as follows for financial reporting purposes:

(1) Completed space hardware, systems, and subsystems (includes the cost, actual or estimated, of such items as aircraft, engines, space vehicles, satellites, spacecraft, and rockets, including components provided for prototypes, mock-ups, or fit checks, or for such other reasons as may be specified in the contract).

(2) Spare parts and components (includes the cost, actual or estimated, of deliverable spare parts and components employed as spare parts to be used for the purpose of emergency replacement, repair, or modification after the fabrication of space hardware). These types of property are commonly referred to as "logistics spares" or "test support spares" and do not include components utilized by the contractor that are not deliverable as spares and that are included as work in process.

(3) Space hardware work in process (includes the actual or estimated fabrication costs as of the date of the report of undelivered space hardware and associated systems, subsystems, spare parts, and components provided or acquired and charged to work in process pending incorporation into an end item). Such items are included in what is sometimes called production inventory and include programmed extra units to cover replacement during the fabrication process (production spares). Also included are progress payments to firm-fixed-price subcontractors for undelivered items.

18-45.7101-2 Transfers of property.

So that NASA may properly control and account for contractor-held Government property (both Government-furnished and contractor-acquired), all transfers to another contract, contractor, NASA installation, or other Government agency shall be adequately documented. Such transfers shall be accomplished only through the NASA installation responsible for the contract from which the property is being transferred.

(a) Transfers by contractors.

(1) ***Approval and notification.*** The contractor must obtain the contracting officer's or designee's approval for transfers of property before shipment. Shipping documents shall specify the appropriate property classification, such as plant equipment, special test equipment, special tooling, or space hardware. Shipping contractors shall notify the cognizant property administrator of transfers of property by furnishing a copy of the shipping document. Shipping and receiving contractors shall promptly notify their respective NASA financial management offices when accountability for Government property reportable on NASA Form 1018 is transferred to, or received from, other contracts, contractors, NASA installations, or Government agencies. Copies of shipping/receiving documents will suffice in most instances.

(2) ***Documentation.*** The shipping contractor shall prepare an acceptable form of documentation such as DD Form 250, Material Inspection and Receiving Report; DD Form 1149, Requisition and Invoice/Shipping Document; or similar forms to cover movement of Government property to other Government agencies. Established procedures for the use of such forms shall be strictly followed. Each shipping document must contain contract numbers, shipping references, property classifications in which the items are recorded, unit prices, and any other appropriate identifying or descriptive data. Unit prices shall be obtained from records maintained pursuant

to the provisions of FAR Part 45 and Part 18-45 of this regulation.

(3) ***Reporting.*** In addition to the required shipping documentation, all transfers of reportable property occurring during the reporting period shall be reflected in column (b), Government-Furnished Additions, of NASA Form 1018 by the receiving contractor and in column (e), Disposals, of NASA Form 1018 by the shipping contractor.

(4) ***Reclassification.*** Reclassifications between property accounts shall be accomplished by the contractor holding the property at the time reclassification takes place. If property is transferred to another contract or contractor, the receiving contractor shall record it in the same property classification and amount appearing on the shipping document. (For example, when a contractor receives an item, by transfer from another contractor or NASA installation, that is identified on the shipping document as plant equipment but that the recipient intends to incorporate into special test equipment, the recipient shall first enter the item in the plant equipment account and subsequently reclassify it as special test equipment.) The reclassification of plant equipment, special tooling, special test equipment, or space hardware requires prior notification to the property administrator and approval of the contracting officer.

(5) ***Incomplete documentation.*** If contractors receive transfer documents having insufficient detail to properly record the transfer (e.g., omission of property classification, unit prices, etc.), they shall request the omitted data directly from the shipping contractor or through the property administrator as provided in FAR 45.505-2. Contractors may append a Government-furnished property list to the NASA Form 1018 report when unable to obtain the required data, provided that the list includes --

(i) A description of the property;

(ii) Quantity;

(iii) The shipping document reference;

(iv) The shipper's identity;

(v) The dates shipped or received;

(vi) The dates price data were requested and from whom (shipper or property administrator); and

(vii) The NASA Form 1018 line item (type/account) to be adjusted.

(b) **Other transfers.**

(1) ***Intracontractor transfers.*** Any transfer of Government property between contracts of a single contractor, whether administered by the same NASA installation or by different NASA installations, requires the same approval, notification, and documentation set forth in paragraph (a) above.

(2) ***Transfer to Government agencies other than NASA.*** Transfers of Government property to other Government agencies can be accomplished only through the NASA contracting officer and require the same approval, notification, and documentation set forth in paragraph (a) above.

(3) ***Recovered space hardware.*** Space hardware recovered after flight and transferred to a contractor for analysis, repair, refurbishment, or other purposes shall not be reported on subsequent NASA Forms 1018 as space hardware unless accountability has been transferred and the contractor is specifically directed to report the item.

18-45.7101-3 Submission of reports.

(a) When the contract includes the Financial Reporting of Government-Owned/Contractor-Held Property clause, the contractor shall prepare a Report of

Government-Owned/Contractor-Held Property, NASA Form 1018, in accordance with these instructions and those on the NASA Form 1018.

(b) The contractor shall submit four copies of NASA Form 1018 for the period ending June 30 in accordance with the clause not later than July 31 of each year, when reporting is required annually. When more frequent reporting is required, the due date shall be not later than the last day of the month following the period being reported. The reporting requirement shall not be less frequent than annually; in all cases a report shall be required as of June 30.

(c) Negative reports shall be submitted when appropriate.

(d) The contractor shall submit a final report within 30 days after disposition of all property subject to reporting.

18-45.7101-4 Report coverage.

(a) The NASA Form 1018 shall include the cost of all Government-owned property, except as noted in 18-45.7101-5, in the possession of the contractor and first-tier subcontractors under each prime contract, using the prime contractor's records to the extent practicable when the subcontractor reporting is delayed.

(b) Government-owned material held in storage by the contractor and subcontractor shall be reported only when the balance on hand at the end of the reporting period is $75,000 or more for each government prime contract, including the amounts under subcontracts.

(c) Space hardware shall be reported only if reporting is specifically requested in writing by the contracting officer, and reporting shall be limited to those items identified on the Annual List of Selected Items of Space Hardware (see Section 6).

18-45.7101-5 Exclusions.

The following items shall not be reported on NASA Form 1018:

(a) Plant equipment having a unit cost of less than $5,000.

(b) Industrial facilities under construction or material held for use in construction of industrial facilities.

(c) Scrap or salvage.

(d) Items ordinarily reportable but furnished to the contractor for repair and return to NASA (except as required in 18-45.7101-2(b)(3)).

(e) Work in process except as required in Schedule II, Space Hardware Reportable Items, of NASA Form 1018.

(f) Materials issued for consumption.

(g) Materials held in storage, if the cost at the close of the reporting period is less than $75,000.

(h) NASA shipping containers.

(i) Space hardware under firm-fixed-price contracts and subcontracts, unless progress payments are specified (see 18-45.7101-1(i)(3)).

(j) Space property, except those items specifically identified as space hardware and required to be reported in accordance with 18-45.7101-6 below.

(k) Installation property made available pursuant to the clause at 18-52.245-71.

18-45.7101-6 Space hardware reporting requirements.

(a) The contracting officer may require reporting on space hardware for cost reimbursement and incentive contracts and first-tier subcontracts if the estimated cost and fee of the contract exceeds $500,000 and any one or a combination of the individual reporting categories (i.e., completed space hardware, components and spare parts, and work in process) exceeds $75,000.

(b) The contracting officer shall specify the items of space hardware for reporting before June 1 of each year on the basis of the Annual List of Selected Items of Space Hardware, issued by the Director of Financial Management, NASA Headquarters (Code BF).

(c) Reporting shall become effective with the next report period beginning July 1, or as otherwise stipulated in the contract, and shall continue until all specified items of space hardware are delivered, the contract is terminated, or the item is removed from the List.

(d) The reports shall contain --

(1) The reportable items on hand, consisting of the cost and quantity of completed space hardware and the cost of related independent completed systems and subsystems;

(2) The total amount for completed spare parts and components relating to item (1) above; and

(3) The total amount for work in process of fabrication relating to the preceding items.

(e) Costs reported on Schedule II shall not be considered in reimbursing the contractor for work performed or for termination proceedings. Costs shall be computed in accordance with accepted accounting principles, be reasonably accurate, and be the product of any one, or a combination, of the following:

(1) Abstracts of cost data from the contractor's property or financial records.

(2) Computations based on engineering and financial data.

(3) Estimates based on NASA Form 533 reports.

(4) Formula procedures (e.g., using a 50-percent factor for work-in-process items, on the basis of updated Standard Form (SF) 1411 estimates or the contractor's approved estimating and pricing system).

(5) Other approved methods.

(f) If the same item is being fabricated for more than one project, contractors shall report by contract item the completed space hardware, related independent systems and subsystems, spare parts, and work in process.

(g) When a contract provides for two or more different and completed space property items, some of which are not included in the List, contractors shall report the actual cost of those items, if possible, or use a reasonable basis permitted by the contractor's records or a basis provided in paragraph (e) above.

(h) Contractors shall report the cost of items of space hardware, systems, and subsystems using their records that are part of the prescribed property or financial control system as provided in 18-45.7101-3; however, fee, tooling, and other nonrecurring costs shall be excluded. Fabrication costs shall be based on the contractor's approved estimating and pricing or property control system and should include --

(1) Direct labor;

(2) Direct materials and purchased parts (costs of purchased items shall be

consistent with the contractor's approved pricing methods);

(3) Other direct costs (e.g., computer costs, travel, and transportation);

(4) Overhead (a percentage factor or rate applied to the direct costs or other applicable base); and

(5) Costs of Government-furnished property applied (data available from the shipping document--e.g., DD Form 250, 1149, or similar form--or estimated if necessary).

18-45.7101-7 Completed space hardware.

(a) Completed space hardware includes configurations of spacecraft, satellites, rockets, etc. (including integrated systems and subsystems) and completed, but not yet integrated, systems and subsystems held by the prime contractor and first-tier subcontractors.

(b) Items of space hardware covered in paragraph (a) above that are completed and deliverable shall not be broken down into systems and subsystems for the purpose of reporting.

(c) The contractor shall redetermine the cost of items returned for modification or rehabilitation to include the appropriate amount of original costs plus any improvements. Costs to modify single shelf items to perform specific tests shall not be included. Contractors shall discontinue reporting space hardware that has been launched, delivered to another contractor or to the Government, or disposed of as authorized by the contracting officer.

1845.7101-8 Completed spare parts and components for space hardware.

(a) In reporting completed spare parts and component items for space hardware, contractors shall include as a single amount for each contract item (as provided in 18-45.7101-6(d)) the aggregate cost of those spares and components (see 18-45.7101-1(i)(2)) related to the selected list of completed items.

(b) Standard items available from commercial or other sources and held on an inventory basis until requisitioned for use are excluded here but shall be included in "Material" on NASA Form 1018. Contractors shall not include spares or components reported in Schedule II, Space Hardware Reportable Items, of NASA Form 1018 in "Material" on page 1, NASA Form 1018.

18-45.7101-9 Space hardware work in process.

(a) Space hardware work in process consists of the total costs by contract item as provided in 18-45.7101-6(d). The contractor shall compute the costs--as of the date of the report of those unfinished space hardware units pertaining to the selected list of completed items to be reported--as provided in 18-45.7101-6(e). This computation shall include the costs of associated systems, subsystems, and spare parts and components furnished or acquired and charged to work in process pending incorporation into a finished item. These types of items comprise what is sometimes called production inventory and include programmed extra units to cover replacement during the fabrication process (production spares). Also included are end items on which the prime contractor or a subcontractor has begun work.

(b) Unless accountability has been transferred to the contractor, the contractor normally shall not include space hardware spare parts and components returned for repair or modification in the in-process inventory (or spare parts and components inventory). Units or lots

best copy available

that are incomplete for any reason, such as obsolescence or faulty fabrication, or by direction of the contracting officer, shall not be reported in NASA Form 1018, Schedule II.

(c) Historical costs on NASA Form 533, Contractor Financial Management Reports, may be used (see 18-45.7101-6(e)) if they apply to the selected items to be reported and are consistent with the costing of completed items. When costs are taken from the NASA Form 533, the cost of Government-furnished property shall be added (where applicable) or listed as provided in 18-45.7101-2(a)(5). The costs shall then be adjusted for completed items and spare parts, etc., inventoried elsewhere or shipped to and accepted by a third party.

18-45.7101-10 Contractor's privileged financial and business information.

If a transfer of property between contractors will involve disclosing costs of a proprietary nature, the contractor shall furnish unit prices only on those copies of the shipping documents that are sent to the shipping and receiving NASA installations. Transfer of the property to the receiving contractor shall be on a no-cost basis.

18-45.7102 Instructions for preparing DD Form 1342.

The instructions in this section shall be used in the preparation of DD Form 1342, DOD Property Record, to report newly acquired equipment, items not previously reported, major changes in the data initially submitted, or equipment no longer required for or actively being used in the pursuit of NASA programs or projects. Use of DD Form 1342 is not mandatory if the same information is provided in an alternative format. Only one initial report is required. In-use items shall be reported initially to the NASA Equipment Management System (NEMS) through the contracting officer (see 18-45.505-670) by use of this form by checking "Active" and "Initial" in Block 1. Identify idle items being initially reported by checking "Idle" and "Initial" in Block 1.

Block 1.	Check appropriate boxes to indicate "Active" or "Idle" report and that the report is an "Initial" or "Changed" report.
Block 2.	Enter the Julian date of preparation of the form. The first character is the last digit of the current calendar year, and the next three characters are the Julian date of the year.
Block 3.	Enter the Identification Number/Government Tag Number as recorded on the identification plate affixed to the equipment.

Section I-Inventory Record

Block 4.	Not applicable.
Block 5.	Enter the first four digits of the National Stock Number, if known.
Block 6.	Indicate in dollars (omit any symbols, decimal points, commas, etc.) the acquisition cost used for property accounting purposes. This acquisition cost is the price of the basic item plus any accessories and auxiliary equipment procured and delivered with it. If the initial acquisition cost data are not

available, use an estimated acquisition cost (based on known costs at the time of manufacture of the same or similar equipment), price lists for the period involved, or the best available price from other sources in NASA or DOD that will achieve conformity of prices for like items of equipment.

Block 7. Not applicable.

Block 8. Enter the last two digits of the year the item was manufactured. If the actual year of manufacture cannot be determined, estimate the date and place an "E" immediately preceding the entry.

Blocks 9 through 13. Not applicable.

Block 14. Enter the name of the manufacturer of the equipment being reported. Do not use a distributor's or vendor's name. Enter "Unknown" when the manufacturer is not known.

Block 15. This is a five-digit numerical code identifying the manufacturer, obtained from Cataloging Handbook H4-1.

Block 16.

a. Enter the manufacturer's model, style, or catalog number for the equipment being reported. Always use the model number, if available. Style number is next in preference. When the manufacturer does not assign a model, style, or catalog number, enter "None".

b. When unable to locate a model number, refer to the manufacturer's brochure or purchase order. If the model number is obtained from other than the equipment, indicate the source in "Remarks," Block 54.

Block 17. Enter the serial number taken from the equipment. If a serial number is not assigned to the item, enter "None".

Blocks 18 through 21. Not applicable.

Block 22. Enter Certificate of Non-availability number from Block 41, DD Form 1419 or other screening document.

Block 23. Not applicable.

Block 24. Not applicable.

Block 25. Enter the complete contract number under which the contractor is accountable for the item. This normally will be a facility contract number. Otherwise, enter the procurement contract number.

Block 26. Enter the complete description of the item.

Block 27. Not applicable.

Block 28. Enter the NASA installation or company name, street address, city, state, and zip code of the physical location of the equipment. If the physical location is a subcontractor's plant, enter the name of the prime contractor above the subcontractor's name. Do not use the office address if different from the plant address. If no street address exists, enter "No street address".

Blocks 28a and 29. Not applicable.

Section II-Inspection Record.

Not applicable, except for Block 52, which should be completed when reporting (in accordance with 18-45.505-670) that an item is no longer required for or actively being used in pursuit of NASA programs or projects.

Section III-Remarks. Not applicable.

Section IV-Disposition Record. Not applicable.

Section V-Validation Record. Not applicable.

18-45.7103 Instructions for preparing DD Form 1419.

(a) The contractor shall enter the essential information covering Sections I and II before submission of DD Form 1419, DOD Industrial Plant Equipment Requisition, to the NEMS Coordinator. The NEMS Coordinator shall review each submission for completeness and authenticity. Incomplete or invalid requests shall be returned for correction. The original and two copies of the approved DD Form 1419, or equivalent format, may be forwarded to Defense Industrial Plant Equipment Center (DIPEC) for screening of inventories. Upon completion of the screening process, DIPEC will annotate the results of the screening in Section IV or V. Certification of nonavailability when cited in Section V is evidence that screening has been accomplished by NASA/DIPEC. DIPEC will return the original and one copy of the request to the NEMS Coordinator of the cognizant NASA installation indicated in Section III.

(b) When a suitable item is allocated in Section IV, inspection of the equipment is recommended. Notification of acceptance or rejection of the item offered must reach NASA/DIPEC within 30 days after allocation. A copy of the DD Form 1419, or equivalent format, will serve as the clearance document to inspect the equipment at the storage site. Note acceptance or rejection of the item, without inspection or after inspection in Section VI. If the item is acceptable, execute Section VII. Cite the NASA appropriation symbol where applicable in Section VII. In either instance, acceptance or rejection, the NEMS Coordinator shall return the original of the DD Form 1419, or equivalent format, to DIPEC when items have been offered by DIPEC.

(c) The NEMS Coordinator shall assign a requisition number to each DD Form 1419, or equivalent format request. If DIPEC will be screened, the NEMS Coordinator shall code each number assigned for automatic data processing by DIPEC. The NEMS Coordinator shall also identify the requiring installation and provide a serial number and date of submission for subsequent reference. The NEMS Coordinator shall begin the requisition number with the appropriate installation FEDSTRIP/MILSTRIP Activity Address Code.

(d) Next will be a four-digit entry comprised of the last digit of the current calendar year and the Julian date of the year. For instance, February 4, 1969, would be written as 9035. The last entry will be a four-digit number from 0001 to 9999 to sequentially number requisition forms prepared on the same date. For example, the ninth requisition prepared on February 1, 1969, would be 9032-0009, preceded by the FEDSTRIP/MILSTRIP Activity Address Code. When submitting subsequent DD Forms 1419, or equivalent format, related to the item requested, the NEMS Coordinator shall use the same requisition number and add the alpha code to the end of the requisition number to indicate a second or third action on the basic request. Alpha "A" would indicate a second request, "B" a third, etc. In this manner, all actions, correspondence, etc., relative to a given request can be identified at all levels of processing by the use of the requisition number.

(e) Detailed directions for completing the DD Form 1419 follow. When DIPEC listed equipment is not being requested, the contractor may elect to provide the required data in an equivalent format, which complies with these directions.

Section I

Item Description. To ensure adequate screening, the item description must be complete. For single-purpose equipment or general-purpose equipment with special features, requests must contain detailed descriptive data as to size and capacities, setting forth special operating features or particular operations required to be performed by the item.

Block 1. Not applicable.

Block 2. Enter the manufacturer's name and Federal Supply Code for manufacturer (Cataloging Handbook H4-1) of the item requested.

Block 2a. Enter the manufacturer's model, style, or catalog number assigned to the equipment being requisitioned. Always use the model number, if available. The style number is the next preference. Enter "None" in this block if the model, style or catalog number is not known.

Block 3. Enter the four-digit Federal Supply Class (FSC).

Block 4. Not applicable.

Block 5. Self-explanatory.

Block 6. Place an "X" in the applicable block to indicate whether you desire to physically inspect the item before acceptance.

Block 7. Self-explanatory.

Block 8. Enter the complete description of the item. Continue the description in Block 51 if additional space is needed.

Section II.

Block 9. Enter the contractor's name, street address, city, state, and zip code from which the requisition is being initiated. The address should be the one to which inquiries of a technical nature will be referred. Specify the name and telephone number of an individual who will respond to inquiries concerning the request.

Blocks 10 and 10a. Enter the contract number or document number and the date of the document authorizing acquisition of the items shown in Section I. This normally will be a facility contract number. Otherwise it should be a purchase order or procurement request number.

Block 11. Not applicable.

Block 12. Disregard the "Military" block. Show the NASA contract number and program for which the item is to be used.

Block 13. Enter the specific function to be performed by the equipment. When applicable, enter the tolerances, capacities, specifications, etc., that the equipment must satisfy.

Block 14. Determine The date the item must be installed to meet production requirements. From this date deduct the estimated number of days required for installation. Enter the adjusted date in this block.

Block 15. Enter the date by which NASA must issue a Certificate of Nonavailability. Determine the date by subtracting the procurement lead time and 30 days administrative lead time from the date shown in Block 14.

Block 16. Enter the Defense Priority and Allocations System (DPAS) rating assigned to the contract or anticipated purchase order, if applicable.

Block 17. Place an "X" in the appropriate box. If for replacement, identify the item being replaced and the reason for replacement.

Block 18. Place an "X" in the appropriate box. Show the appropriation symbol if the answer is "yes."

Block 19. Not applicable.

Blocks 20 and 21. In addition to the official's title and signature, type the signing official's name, office symbol or name, and telephone number plus extension. The company representative who prepares and submits the requirement to the cognizant NASA certifying office should sign.

Block 22. Self-explanatory.

Block 23. The contracting officer of the NASA installation having jurisdiction over the contract shall certify the need for the item. However, the NEMS Coordinator may certify the need for NASA in-house requirements.

Block 23a. Not applicable.

Block 23b. Enter the name and address of the installation certifying the requirement.

Block 23c. This block is for signature of the property administrator or contracting officer at plant level.

Block 23d. Self-explanatory.

Block 23e. This block is for the signature of NASA installation official certifying the requirement.

Block 23f. Self-explanatory.

Section III.

This section is for the NEMS Coordinator's certification of the requirement to DIPEC, when applicable.

Blocks 24 through 27. Self-explanatory.

FORMS PREPARATION

Section IV.

To be completed by DIPEC (a copy is used for admittance to storage site for inspection of property).

Section V.

DIPEC or the NEMS Coordinator shall complete this section if equipment is unavailable.

Section VI.

Blocks 42 through 45. The requesting official signing Section II, Block 20, shall complete Section VI and shall list reasons for non-acceptance in Section VIII, Remarks, or on a separate document attached to the DD Form 1419.

Section VII.

Block 46. Enter the complete name, street address, city, state, and zip code of the contractor or installation to which the item is to be shipped. Indicate railhead and truck delivery points when other than the address named.

Blocks 47 and 48. Self-explanatory.

Blocks 49a and b. Ensure that NASA appropriation symbols are included with the work order number.

Block 49c. Enter the NASA appropriation symbol chargeable for any special work ordered (e.g., rebuild, repair, or accessory replacement).

Block 49d. Enter the NASA installation and office symbol for the organization that will make payment for transportation and packing, crating, and handling.

Block 50. Self-explanatory.

Section VIII.

Block 51. This block can be used to expand or explain entries made in Blocks 1 through 50. When requisitioning equipment from excess listings, identify the issuing office, list number, date, control number, and item number assigned to the equipment.

SUBPART 18-45.72
CONTRACT PROPERTY MANAGEMENT

18-45.7201 Definitions.

"Category," as used in this subpart, means a major segment of a contractor's property control system (e.g., acquisition, receiving, records, storage and movement, consumption, utilization, maintenance, physical inventories, subcontractor control, or disposition).

"Characteristic," as used in this subpart, means a segment of a functional area subject to analysis or review. Characteristics are classified as Class I, subject to statistical sampling, and Class II, subject to judgment or observation techniques.

"Lot," as used in this subpart, means an aggregation of documents, records, articles, or actions selected for review because of common characteristics. For evaluation of the lot, all characteristics for which a lot is tested must be common to all units within the lot.

"Supporting responsibility," as used in this subpart, relates to the assignment of a subcontract, or a portion of a prime contract being performed at a secondary location of the prime contractor, to a property administrator other than the individual assigned to the prime location.

"Property control system," as used in this subpart, identifies a contractor's internal management program encompassing the protection of, preservation of, accounting for, and control of property from its acquisition through disposition.

18-45.7202 General.

This subpart describes major elements of the NASA Contract Property Management Program. It provides guidance to NASA installation personnel responsible for NASA contract property (NASA personal property in the possession of contractors). It applies to all NASA installation personnel charged with this responsibility, including industrial property officers and specialists, property administrators, and plant clearance officers. It also provides detailed procedures for property administration. The NASA Contract Property Management Program includes the following three major elements:

(a) Performance of property administration and plant clearance by DOD under delegations from NASA, pursuant to 18-42.101.

(b) Performance of property administration and plant clearance by NASA under certain situations, pursuant to 18-42.203.

(c) Maintenance of property administration and plant clearance functional oversight, regardless of delegations, pursuant to 18-42.175.

18-45.7203 Delegations of property administration and plant clearance.

When delegated to DOD, property administration and plant clearance are performed in accordance with DOD's regulations and procedures, as amended by the NASA Letter of Contract Administration Delegation, Special Instructions on Property Administration and Plant Clearance. These Special Instructions are developed by NASA Headquarters, Supply and Equipment Management Division, Code NIE, and are available from that office upon request. The contracting officer shall issue the

Special Instructions with delegations whenever Government property will be involved. Additional or more tailored property instructions are not proscribed but must be coordinated with Code NIE before issuance.

18-45.7204 Retention of property administration and plant clearance.

NASA may occasionally retain the property administration and plant clearance function, such as for contract work performed at the installation awarding the contract and not subject to the clause at 18-52.245-71, Installation-Provided Government Property. In these cases, property administration shall be performed in accordance with Subparts 18-45.2 through 18-45.7, and plant clearance shall be performed in accordance with FAR Subpart 45.6 and Subpart 18-45.6. Under the clause at 18-52.245-71, property administration and plant clearance are neither delegated nor retained; they are simply not required because the property is treated as installation rather than contract property.

18-45.7205 Functional oversight of property administration and plant clearance.

NASA contracting officers retain functional management responsibility for their contracts. Utilization of the contract administration services of another Government agency in no way relieves NASA contracting officers of their ultimate responsibility for the proper and effective management of contracts. The functional management responsibility for contract property is outlined below. Beyond individual contracting officers, each NASA installation has designated an industrial property officer to manage and coordinate property matters among the various contracting officers, technical officials, contractor officials, and delegated property administrators and plant clearance officers. Generally, that individual is responsible for the entire contract property management function outlined below; the installation is responsible for the entire function regardless of how it is organized and distributed. The responsibilities are as follows:

(a) Provide a focal point for all management of contract property, including Government property (Government-furnished and contractor-acquired) provided to universities as well as to industry.

(b) Provide guidance to contracting and other personnel on the NASA property provisions.

(c) To the extent feasible, review property provisions of procurement plans, solicitations, contracts, and modifications for potential problems. Propose changes as necessary.

(d) To the extent feasible, participate in pre-award surveys/post-award orientations when significant amounts of Government property will be involved.

(e) Ensure that vesting-of-title determinations are made and documented pursuant to FAR 35.014(b).

(f) Maintain effective communications with delegated property administrators and plant clearance officers to keep fully informed about contractor performance and progress on any property control problems.

(1) Obtain and review property control system survey summaries for all contracts for which property administration has been delegated. Advise Headquarters Code NIE of any severe or continuing problems.

(2) Provide property administrators copies of all pertinent contract property documentation.

(g) Work with the NASA Equipment Management System (NEMS) Coordinator and contracting officers to ensure contractor reporting to and screening of NEMS.

(1) Monitor contractors' performance in submitting DD Form 1419's or equivalent request format before acquiring centrally reportable equipment (CRE) and in submitting DD Form 1342's or equivalent report format after receiving CRE.

(2) Ensure that an annual NEMS verification is performed in accordance with 18-45.505-670(c) and NHB 4200.1, paragraph 4.406b.

(h) Review and analyze NASA Form 1018's, Reports of Government-Owned/Contractor-Held Property.

(1) Ensure an annual comparison of 1018's with NEMS in accordance with NHB 4200.1, paragraph 4.406c, to detect possible over/under reporting to NEMS and possible failure to screen NEMS.

(2) Check new disparities disclosed under subparagraph (1) above with the appropriate property administrator and document the results.

(i) Negotiate, or ensure the negotiation of, facilities contracts when required by FAR 45.302 and 18-45.302. Advise Headquarters Code NIE annually of new and completed facilities contracts.

(j) Review property administrators' approvals of relief of responsibility for lost, damaged, and destroyed property and question any excessive or repetitive approvals.

(k) When appropriate, make recommendations to source and performance evaluation boards regarding property management and award fee criteria and evaluations regarding property management.

(l) Monitor plant clearance status to preclude delays in contract closeout.

(m) Maintain contract property files for all transactions and correspondence associated with each contract. Upon receipt of Standard Form 1424, Inventory Disposal Report, and DD Form 1593, Contract Administration Completion Record, or equivalents, merge all property records for the contract and forward for inclusion with the official completed file.

(n) Perform on-site property administration and plant clearance when they are not delegated to DOD and the property is not subject to the clause at 18-52.245-71. (The remainder of this subpart provides detailed guidance on such property administration).

18-45.7206 Responsibilities of property administrators and plant clearance officers.

18-45.7206-1 Property administrators.

(a) When property administration is not delegated to DOD, the property administrator shall evaluate the contractor's management and control of Government property and ascertain whether the contractor is effectively complying with the contract provisions. The property administrator's responsibilities include --

(1) Developing and applying a system survey program for each contractor under the property administrator's cognizance;

(2) Evaluating the contractor's property control system and approving or recommending disapproval;

(3) Advising the contracting officer of any (i) contractor noncompliance with approved procedures and (ii) other significant problems the property administrator cannot resolve, and recommending appropriate action, which may include disapproval of the contractor's property control system;

(4) Resolving property administration matters as necessary with the contractor's management, personnel from Government procurement and logistics activities, and representatives of the NASA Office of the Inspector General, of the Defense Contract Audit Agency (DCAA), and of other Government agencies; and

(5) Recognizing the functions of other Government personnel having cognizance of Government property and obtaining their assistance when required. (These functions include, but are not limited to, contract audit, quality assurance, engineering, pricing, and other technical areas. Assistance and advice on matters involving analyses of the contractor's books and accounting records and on any other audit matters deemed appropriate shall be obtained from the cognizant auditor.)

(b) The participation of property administrators (or other Government industrial property personnel) in pre-award surveys/post-award orientations is required whenever significant amounts of Government property will be involved, in order to reveal and resolve property management problems early in the procurement cycle.

18-45.7206-2 Plant clearance officers.

When plant clearance is not delegated to DOD, NASA plant clearance officers shall be responsible for --

(a) Providing the contractor with instructions and advice regarding the proper preparation of inventory schedules;

(b) Accepting or rejecting inventory schedules and DD Form 1342;

(c) Conducting or arranging for inventory verification;

(d) Initiating prescribed screening and effecting resulting actions;

(e) Final plant clearance of contractor inventory;

(f) Pre-inventory scrap determinations, as appropriate;

(g) Evaluating the adequacy of the contractor's procedures for property disposal;

(h) Determining the method of disposal;

(i) Surveillance of any contractor-conducted sales;

(j) Accounting for all contractor inventory reported by the contractor;

(k) Advising and assisting, as appropriate, the contractor, the supply and equipment management officer, other Federal agencies, and higher headquarters in all actions relating to the proper and timely disposal of contractor inventory;

(l) Approving the method of sale, evaluating bids, and approving sale prices for any contractor-conducted sales;

(m) Recommending the reasonableness of selling expenses related to any contractor-conducted sales;

(n) Securing antitrust clearance, as required; and

(o) Advising the contracting officer on all property disposal matters.

18-45.7207 Initiation of property administration.

18-45.7207-1 Control of assignments.

(a) The procurement officer or a designee shall establish and maintain a Contract Assignment Control Register for each contractor, showing the --

(1) Contractor's name and address;
(2) Contract number;
(3) Type of contract;
(4) Date of assignment of the property administrator and his or her name; and
(5) Date of completion or termination of the contract, or transfer of the property administrator.

(b) Property reported received at a contractor's plant without contractual coverage shall be recorded in a suspense file, pending investigation and resolution by the property administrator.

18-45.7207-2 Analysis of contract and establishment of contract property control data files.

(a) The property administrator shall analyze each contract providing for Government property to estimate the property administration effort to be applied. The analysis shall be sufficient to establish the management controls necessary for ensuring compliance with contract requirements and development of a suitable system survey program.

(b) The property administrator shall establish Property Summary Data Record containing --

(1) The contractor's name and address, and the contract number;
(2) The type of contract, modifications (including change orders), and special or nonstandard clauses pertaining to Government property;
(3) The date of final review and date of execution and transmittal of the DD Form 1593 or equivalent;
(4) Supporting property administration assignments; and
(5) Name(s) of the property administrator(s) and date(s) of tenure.

(c) (1) The property administrator shall establish a Contract Property Control Data File, which shall include as a minimum --

(i) The Property Summary Data Record;
(ii) A copy of the contract or provisions pertinent to property administration, and comparable data regarding any subcontracts involving Government property;
(iii) The record of initial review, evaluation, and approval of the contractor's property control system; and, if applicable, the record of withdrawal of approval and basis for it, reinstatement of approval, and deviations granted;
(iv) A record of visits and property system surveys performed, including appropriate work papers, deficiencies disclosed, and corrective actions taken;
(v) Contractor's receipts for Government property, when required;
(vi) The record of final review and execution of the property administrator's statement of closure of the contract property account;
(vii) Other pertinent correspondence and documents, including, as applicable, inventory adjustments, investigations, recommendations, and determinations;
(viii) Records concerning supporting property administration delegations; assist actions involving special reviews; and other applicable reviews at subcontractor's plants;

(ix) Records of inspection and audits performed by other activities; and

(x) Reports relating to Government property prepared by the contractor pursuant to the contract.

(2) When more than one contract is involved at one contractor location, records relating to more than one contract shall be transferred to a contractor's General File, and the Property Summary Data Record shall be so annotated.

18-45.7208 Initial evaluation and approval of contractor's property control system.

18-45.7208-1 General.

Normally, the initial contact by the contract administration office with a contractor is through a postaward orientation. When a conference is held for this purpose, the property administrator shall ensure suitable discussion of property administration requirements and responsibilities. When a conference is not held, the property administrator, upon assignment of a contract, shall forward a letter to the contractor --

(a) Inviting attention to the contractor's responsibilities regarding Government property under the contract, including any specialized controls, and the extent of the contractor's liability for loss, damage, or destruction of Government property during any period in which the contractor's property control system does not have the written approval of the property administrator;

(b) Requesting the name of the contractor's representatives to contact for review and discussion of the proposed property control system; and

(c) Requesting that policies, instructions, and procedures necessary for fully implementing the property control system be available for evaluation.

18-45.7208-2 Review of procedures.

(a) Following assignment of an initial contract, the property administrator shall review the contractor's proposed property control system procedures to determine --

(1) Inadequate or questionable areas in the proposed procedures for compliance with NASA contract requirements;

(2) Essential controls not provided by the proposed procedures;

(3) Areas in the proposed procedures requiring physical observation or verification; and

(4) Subcontractors, or secondary locations of prime contract performance, and the need for physical observation or verification of property controls at those locations.

(b) It is normal industry practice to provide for property control by means of written procedures that communicate company standards, techniques, and instructions to operational personnel for uniform application. However, a contractor with few employees may not need written procedures for effective management of Government property. In such cases, the property administrator shall evaluate the adequacy of the contractor's system on the basis of the contractor's explanation of its controls and observation of their application, and shall prepare a brief description of the procedures for inclusion in the Contract Property Control Data File. In the latter instance, the contractor's signature shall be obtained signifying concurrence with the property administrator's written description.

(c) The contractor's plant shall be visited to determine that the contractor's operation of the system provides adequate controls for the Government property to be furnished or acquired.

(d) The means of obtaining the information necessary for approving the contractor's property control system is a matter for the property administrator's judgment. Test examinations and verification in specific categories may be necessary to ensure the reliability of the final evaluation and permit conclusions as to the acceptability of controls for all categories and the system as a whole.

(e) The property administrator shall examine the contractor's procedures to determine whether they meet the contractual requirements for property control. The property administrator shall test and analyze the contractor's system, noting or commenting on the acceptability of the procedures in preparing the record of system evaluation (see 18-45.7208-4).

(f) If the contractor's property control system has previously been approved and a new contract requires the expansion of existing or the establishment of additional controls, the property administrator should normally limit the review to the new requirements. If the system is adequate, the property administrator shall record this fact on the Property Summary Data Record for the contract. Notification to the contractor is not required. However, if the property administrator determines that the contractor's property control system does not adequately meet the new contract requirements, the property administrator shall annotate the Property Summary Data Record for the contract involved appropriately and notify the contractor in writing of the required changes.

(g) In reviewing the contractor's property control system, the property administrator shall consider the provisions of 18-45.505-14 and ensure that the contractor's system provides for maintaining financial data and furnishing required reports within the time limits specified.

18-45.7208-3 Exit interview with the contractor.

Upon completing the review, the property administrator shall hold an exit interview with the contractor to discuss any category in which the controls or procedures were found inadequate and shall advise where corrective action is required before an approval of the system can be granted. When the contractor is willing to correct a deficiency or questionable practice immediately, the documentation supporting the property administrator's findings and conclusions shall include a statement to this effect. The contracting officer responsible for the predominant value of NASA property at the facility shall attend the exit interview with the contractor if major deficiencies exist in the property control system, past deficiencies remain uncorrected, or the value of the personal property involved exceeds $1,000,000.

18-45.7208-4 Record of system evaluation.

Upon completing the evaluation of the contractor's system, the property administrator shall prepare a written summary of findings to support approval of the system or any requirement for corrective action before approval. A report of visit or other documentation may be utilized if the participating contractor and Government personnel are listed, actions taken are adequately described, and the property administrator's determination is clearly stated.

18-45.7208-5 Notification of deficiencies.

If deficiencies have been found, the property administrator shall prepare a letter to the contractor for signature by the contracting officer, listing them and noting any agreement by the contractor to correct them. The contractor shall respond within 30 days, providing the precise action to be taken and the time required to correct each deficiency.

18-45.7208-6 Resolution of differences.

If the contractor's response is unsatisfactory, the contracting officer, along with the property administrator, shall meet with the contractor in an effort to arrive at a mutually satisfactory corrective program. The contractor shall be requested to confirm in writing any new commitments arising from this meeting. If the contractor fails to correct deficiencies in its property control system within a reasonable period, the contracting officer shall refer the matter by memorandum to appropriate levels of management within the NASA installation and Headquarters staff offices, depending on the criticality of the problem involved. The memorandum shall include --

(a) A specific, concise, and documented statement of the problem;

(b) A statement of the contractor's position; and

(c) The recommended action.

18-45.7208-7 Letter of approval.

(a) Approval of a contractor's property control system shall be conditioned upon a joint determination, by the property administrator and the contracting officer that no deficiencies exist in the property control system or that only minor deficiencies exist and the contractor has agreed to correct them.

(b) If the contractor's property control system is acceptable, the property administrator shall advise the contractor in writing. However, if the approval was preceded by correspondence between the contracting officer and the contractor (18-45.7208-5 and -6), the property administrator shall reference it in the approval and advise the contractor that the corrective action taken or planned is acceptable. A copy of the letter of approval shall be sent to the contracting officer.

(c) If the contract involves Government property at subcontractor plants or prime contractor secondary locations, or both, and the controls for it are determined adequate, the approval shall be expanded to include the procedures governing Government property at those locations.

18-45.7209 Property administration during contractor performance.

18-45.7209-1 Property administration plan.

(a) The property administrator shall develop a property administration plan for each contractor's plant, covering the property control system utilized on Government contracts. The plan shall provide for surveys and shall be augmented to cover responsibilities imposed by new contracts, changing conditions, or marginal performance. If approval of the contractor's system is unduly delayed at inception of the contract by the contractor's failure to provide an acceptable system, or is withdrawn because of unsatisfactory conditions disclosed after approval, the property administration plan shall be expanded as necessary to reasonably ensure that loss, damage, or destruction of Government property is disclosed in a timely manner. Special attention shall be given to reasonably ensuring that any loss, damage, or destruction occurring during a period when a contractor's system is not approved is identified before approval or reapproval.

(b) The property administrator must exercise judgment in developing the plan and in determining which categories (see Table 18-45-1) of the contractor's property control system warrant examination. Dollar amounts and volume of activity, types of property, complexity of the contractor's system, risk to the Government, and previous experience regarding the adequacy of the contractor's controls are factors determining the extent and scope of the system survey plan.

TABLE 18-45-1

CATEGORIES, FUNCTIONAL AREAS, CHARACTERISTICS

(This is not an exclusive list and may be modified as necessary.)

Category 1

Acquisition. The process of acquiring Government property either through requisition or transfer from Government sources or through purchase, including purchases from the contractor's stores.

a. **Functional Area:** Government-furnished property.

Class		Characteristic
I	(1)	Item is contractually authorized.
I	(2)	Requesting document is properly prepared and processed.
I	(3)	Quantity requested is reasonable but not available in existing stocks at the plant site for use on the requiring contract.
I	(4)	Requests are controlled until items are received or requirement cancelled. Status file is maintained.
II	(5)	Requests are submitted in a timely manner to minimize use of emergency priorities.

b. **Functional Area:** Contractor-acquired property.

Class		Characteristic
I	(1)	Item is contractually authorized.
I	(2)	Quantity ordered is reasonable but not available in existing stocks at the plant site for use on the requiring contract.
I	(3)	Purchase order distribution, cancellation, and change are properly controlled.
I	(4)	Item description, contract number, and

		price, are reflected in purchase order.
I	(5)	Consent or approval by the contracting officer is obtained as required.

CATEGORY 2

Receiving. The process of Government property initially entering into a contractor's custody.

Functional Area: Receiving process.

Class		Characteristic
I	(1)	Receiving report adequately describes item and shows count and condition. If quantity, condition, or description differs from that shown on inbound shipping document, proper adjustment document is prepared and property administrator is notified.
I	(2)	Receiving report is promptly and properly prepared and controlled, and distribution includes copy to property accounting organization.
I	(3)	Item received is properly classified (e.g., special tooling).
I	(4)	Item is properly identified and marked during the receiving process.
II	(5)	Returnable and reusable containers are properly controlled and accounted for.
II	(6)	Misdirected shipments are adequately controlled pending receipt of disposition instructions.

CATEGORY 3

Records. The official accounting and subsidiary records maintained by a contractor to show status and to control all Government property furnished to or acquired by it.

a. **Functional Area:** Inventory control (real and personal property).

Class		Characteristic
I	(1)	Accounting record conforms to FAR and NASA FAR Supplement requirements and is accurate.
I	(2)	Documentation in support of accounting entries is sufficient.
I	(3)	Accounting entries are made without undue delay.
I	(4)	Stock levels and reorder points are reflected on record, are reasonably sound, and are consistent with the contract.
I	(5)	Accounting records are closed by means of proper accounting entry, adequately supported by documentation.
I	(6)	Locator system is adequate and accurate.

b. **Functional Area:** Fabrication records.

Class	Characteristic
I	(1) Records of items fabricated conform to FAR requirements and are accurate.
I	(2) Documentation in support of accounting entries is sufficient.

c. **Functional Area:** Receipt and issue file.

Class	Characteristic
I	Records of items conform to FAR and NASA FAR Supplement requirements and are accurate.

d. **Functional Area:** Custodial records.

Class	Characteristic
I	(1) Custodial record is adequate and accurate.
I	(2) Records are properly closed.

e. **Functional Area:** Scrap and salvage records.

Class	Characteristic
I	(1) Scrap and salvage records are adequate and accurate.
I	(2) Items reclaimed during salvage operations are properly classified.
I	(3) Documentation in support of record is adequate.
I	(4) Records are properly closed.

f. **Functional Area:** Multicontract cost and material control system.

Class	Characteristic
I	(1) Records conform to FAR requirements and are accurate.
I	(2) Documentation in support of record is adequate.
I	(3) Accounting entries are made promptly.
I	(4) Records are properly closed.

CATEGORY 4

Storage and movement. The process of storing and moving all types of Government property includes movement from one point to another for any purpose and protection during movement and storage.

a. **Functional Area:** Warehousing.

Class	Characteristic
II	(1) Housekeeping is adequate.
II	(2) Government property is segregated from contractor property.
II	(3) Adequate protection of Government property, including hazardous material, precious

		metals, sensitive items, etc., is provided.
II	(4)	Measures for corrosion prevention, age control, etc., are adequate.

b. **Functional Area**: Internal and external movements.

Class		Characteristic
II	(1)	Item is moved under proper authority, supported by issue slip, shipping ticket, location change order, etc.
II	(2)	Adequate protection is provided during movement, such as packing, covering, skidding, proper handling equipment and techniques, and safety precautions.
II	(3)	Loss or damage occurring during movement is reported to the property administrator.

CATEGORY 5

Consumption. The process of incorporating Government-owned property into an end item or otherwise consuming it in performance of a contract.

a. **Functional Area**: Reasonableness of consumption.

Class		Characteristic
I	(1)	Quantities consumed are reasonable when compared to bill of material, material requirement lists, established scrap rates, etc.
II	(2)	Serially numbered or selectively matched items are incorporated in appropriate end item.

b. **Functional Area:** Conservation.

Class		Characteristic
II	(1)	Excesses are promptly returned to stores and recorded.
II	(2)	Where appropriate, maximum use is made of repair and salvage procedures in lieu of using new items.
II	(3)	Where appropriate, a first-in, first-out (FIFO) system is employed with respect to "dated" items.

CATEGORY 6

Utilization. The process of utilizing plant equipment, special tooling, special test equipment, material, and space property for the purpose for which furnished or acquired.

a. **Functional Area:** Plant equipment, special tooling, special test equipment.

Class	Characteristic
I	(1) Item is used for purpose authorized by contract (not diverted to other use).
I	(2) Degree of utilization justifies retention.

b. **Functional Area:** Material and space property.

Class	Characteristic
I	(1) Item is used for purpose authorized (not diverted to other use).
I	(2) Degree of utilization justifies retention of stock on hand.

CATEGORY 7

Maintenance. The process of providing the amount of care necessary to obtain a high quality of production and the most useful life of Government property.

a. **Functional Area:** Preventive and corrective maintenance.

Class	Characteristic
I	(1) Item is scheduled for periodic maintenance (including technical order compliance).
I	(2) Maintenance is performed according to schedule.
I	(3) Records of normal maintenance and corrective actions are adequate and accurate.

b. **Functional Area:** Capital-type rehabilitation (includes real property).

Class	Characteristic
I	(1) Inspection is scheduled to determine need for major repair, replacement, or other rehabilitation .
II	(2) Inspection is performed as scheduled and results are reported.
II	(3) Rehabilitation is accomplished when authorized.
II	(4) Records of major repair, replacement, or other rehabilitation, including cost, are adequate and accurate.

CATEGORY 8

Physical inventories. The process of physically inventorying Government property and comparing it to records of the property (includes locating and counting, tagging or marking, describing, recording, and reporting results to the property administrator).

a. **Functional Area:** Performance.

Class	Characteristic
II	(1) Periodic physical inventories are performed.
II	(2) Physical inventories are performed upon termination or completion of contract unless waived by

		property administrator.
I	(3)	Inventoried property is appropriately tagged or marked.
I	(4)	Inventory count is accurate.
II	(5)	Inventory procedures provide that personnel who perform inventory are not those who maintain the property records or have custody of the property, unless the contractor's operation is so small as to make this impracticable.
II	(6)	Results of inventories are reported to property administrator within 30 days.

b. **Functional Area:** Reconciliation and adjustment.

Class		Characteristic
II	(1)	Each instance of loss and discovery of unrecorded property is investigated.
II	(2)	Causes are determined for above discrepancies.
II	(3)	Actions necessary to prevent recurrence are determined and taken for above discrepancies.
II	(4)	Adjustments to records (other than for property losses) are made within 30 days.
II	(5)	Adjustments to records for property losses are made within 30 days of contracting officer's or property administrator's notification of relief of responsibility or other determination.

CATEGORY 9

Subcontract control. The process of prime contractor control over subcontractors with respect to Government property.

a. **Functional Area:** Prime contractor controls.

Class		Characteristic
I	(1)	Subcontract reflects adequate instructions with respect to subcontractor responsibilities.
I	(2)	Records of Government property in possession of subcontractors conform to FAR and NASA FAR Supplement requirements.
I	(3)	Adequate documentation supports accounting entries.
II	(4)	Prime contractor's surveillance over Government property in possession of subcontractors is adequate.

b. **Functional Area:** Subcontractor control. If the prime contractor has designated the subcontractor's records and controls as the official contract records and controls of Government property in the subcontractor's possession, or if adequacy of controls cannot be determined by review of the prime contractor's control, the subcontactor's property control system shall be evaluated in the same manner as that of a prime contractor, in accordance with procedures and criteria set forth in this Subpart 18-45.72.

CATEGORY 10

Disposition. The process of requesting disposition instructions and effecting disposal of Government property.

a. **Functional Area:** Disclosure of excess.

Class	Characteristic
I	(1) Excess items are screened for use on other contracts before declaration as excess.
I	(2) Items determined excess are promptly reported.
I	(3) Declaration as excess is complete and accurate.
I	(4) Item was allocable to contract from which declared excess.

b. **Functional Area:** Disposal.

Class	Characteristic
I	(1) There is proper authority for disposition.
I	(2) Item was disposed of within a reasonable time after authority was received.
I	(3) Identification tag is removed from item prior to disposal, when appropriate.
I	(4) Documentation of disposition is complete and reflects authority, disposal action, and date of disposal and is posted to record.
I	(5) When appropriate, proceeds have been credited to the Government.

(End of Table 18-45-1)

18-45.7209-2 System surveys: surveillance.

The property administrator shall conduct a complete system survey annually to obtain thorough knowledge of the contractor's efficiency and system of property control. Completion of a system survey involving complex property control systems may require detailed tests and evaluations over an extended period of time. If deficiencies in physical control or records are disclosed, the property administrator must (a) ensure that the contractor takes corrective action and (b) evaluate its effectiveness. In such instances, test and evaluation of any one category shall be completed as expeditiously as possible, and the working papers and analysis shall be retained for consideration and incorporation into the summary and survey case file.

18-45.7209-3 System surveys: scheduling and planning.

(a) At the beginning of each calendar year, the property administrator shall prepare a schedule showing the names of the contractors and the dates on which each system survey is to be initiated and completed.

(b) Before initiating any system survey, the property administrator shall establish a survey plan providing, as a minimum --

(1) Identification and listing of the categories, functional areas, and characteristics to be evaluated (see Table 18-45-1);

(2) Evaluation of approved property control procedures applicable to the categories to be examined, and noting of any portions of them that should be reviewed with operating personnel for possible updating (if a functional area of the property control system is not covered by procedures, no attempt should be made to survey that area at that time, but that area should be recorded as unsatisfactory and action taken to correct the condition); and

(3) Directions for preparing work papers necessary to document the file.

18-45.7209-4 Testing the system.

In conducting tests of the contractor's property control system, the following factors should be considered to assure adequate coverage of requirements peculiar to particular classes of property and functional areas:

(a) **Materials.** Materials should be considered as bulk quantities, as contrasted to individual items. Examinations should be directed to --

(1) Tracing inbound transportation units from (i) bills of lading or other transportation documents to receiving reports, in order to verify the receiving reports and to ensure that proper action is taken on shortages, damages, and other discrepancies, and (ii) stock records to assure that the receipts were accurately posted;

(2) Abstracting nomenclature and balance data from stock records and making physical counts to determine accuracy of the stock records;

(3) Tracing posting of credits to (i) stock records (by date, reference number, and quantity) and (ii) issue documents, in order to assure accuracy of the postings and validity of the documents (signature by authorized individual and indication of reasons for issue or point of delivery, or both, to indicate proper contract use); and

(4) Determining, to the extent practicable at the point of receipt and use, whether undue quantities are issued, charged to cost, and held on the plant floor rather than being held under better security in stores.

(b) **Custodial items.** Issues shall be traced from stores records to tool cribs, office stock rooms, uniform rooms, and the like, to determine whether they are taken into account as part of a sound control system. It should be determined that issues to contractor personnel are covered by tool chits, uniform slips, or other mechanisms to ensure return, or ability to locate items to be returned, ensuring that new items are not issued without return of worn-out items or that suitable explanation is provided.

(c) **End items.** General techniques for surveying materials are applicable to end items placed in storage pending shipment. Examination shall include tracing from Government acceptance records of the contractor's claims for reimbursement to physical quantities on hand and quantities on validated shipping documents.

(d) **Plant equipment costing less than $5,000.** If summary stock records are used for this class of property, examination using the "bulk quantities" approach in paragraph (a) above is applicable but shall also cover --

(1) Identification if required pursuant to FAR 45.505-5 (any identification numbers shall be physically verified); and

(2) Location as prescribed in FAR 45.505(g), creating need for physical verification of presence or absence of the property in the location shown by the location record.

(e) **Plant equipment costing $5,000 or more**. Testing on an item-by-item basis is usually required to achieve desired results. Determinations demanding special attention include whether --

(1) Government screening and approval requirements are observed;

(2) Classification of property is accurate, both at time of requisition or purchase and at time of receipt, through the use of Cataloging Handbooks H2-1, H2-2, and H2-3;

(3) An item is actually applied to the requirement for which acquired, and, if deviation is made, that any necessary notice and Government approval have been obtained;

(4) Receiving documentation is complete and accurate, indicating assignment of identification number, treatment of accessory and auxiliary equipment as required, and the DD Form 1342 (DoD Property Record), or equivalent format, is prepared and processed when required by 18-45.505-670;

(5) From physical inspection of the property, the equipment records are accurate, including location and classification as to use (examination shall be conducted from property to records and from records to property); and

(6) Disposition is initiated as required if equipment is no longer required at the plant (examination shall include the adequacy of the procedure for preparing and submitting DD Form 1342 (Property Record), or equivalent format, where specified, propriety of authority for shipment, and proper accounting for accessory and auxiliary equipment).

(f) **Special test equipment**. The examination of special test equipment shall be essentially the same as for plant equipment costing $5,000 or more, except for recognizing the greater complexity of assemblies classified as single items and the possible need for assistance and advice of engineering personnel. Examinations shall include tracing of individual components into the assembly to assure a clear trail, particularly with respect to general purpose test equipment components, and propriety of disposition of components upon disassembly.

(g) **Special tooling**. Testing for plant equipment, as in paragraphs (d) and (e) above, may be used as a guide to establish the method and sampling for special tooling. When option as to title to special tooling is involved under terms of the contract (see the clause at FAR 52.245-17, Special Tooling), examination need only be sufficient to comply with the request of the contracting officer.

(h) **Real property**. After initial turnover of real property to a contractor, tests and examinations normally shall be directed to work orders of the contractor and documentation from Government sources as to additions and other capital improvements or disposals or capital decreases.

(i) **Scrap and salvage**. Tests relating to scrap and salvage may be similar to those for materials as outlined in paragraph (a) above. However, special attention should be given to --

(1) Tracing from credit entries on materials records (showing turn-in to scrap) to corresponding debits to scrap records;

(2) Determining from analysis of consumption of materials over a given period that the quantities indicated as being scrapped or spoiled are matched with comparable receipts in the scrap and salvage accounts; and

(3) Determining that, when conversions of units of property to pounds of scrap or from estimated to scale weights or to other units of measure are made, the formula for the conversion is shown on the document affected or is readily available in the approved contractor procedure.

(j) **Analyzing consumption of materials.** It shall be determined by both physical examination and analysis of records that quantities consumed are for proper purposes and in reasonable amounts. In analyzing consumption of component parts or other production materials, unit allowance (equalling amount required per end-item plus normal spoilage) for each line item of materials may be available in the contract, bill of materials, blueprints, or shop drawings of items fabricated, or in cost computations supporting the end-item price. If such unit allowance information is not available, technical personnel may be consulted as to whether quantities consumed are within accepted industry standards.

(k) **Testing of physical inventories.** The property administrator has the option of conducting tests of the contractor's physical inventories either during the performance of the inventory or subsequent to its completion. In either event, tests shall evidence physical counts of selected items without knowledge of record balances, verification of the entries on count slips, comparisons with records, preparation of documents necessary to any adjustments required, approval of adjustments, and the referral of lists of adjustments to the property administrator pursuant to FAR 45.508-2.

(l) **Examination of maintenance program.** The property administrator shall trace the actions scheduled to determine whether they have been performed and that the actions stated by the contractor's procedures have been included. Also, records of the maintenance or repair shop or the contractor's purchase orders shall be examined as to causes of breakdowns of equipment to determine whether they were the result of inadequate preventive or routine maintenance.

18-45.7209-5 Performing the system survey.

In performing the system survey, the property administrator shall follow the procedures in paragraphs (a) through (e) below.

(a) (1) The lot size shall be estimated. Insofar as possible, lots selected shall consist of all the following current operations of the contractor:

(i) Those transactions (excepting disposition transactions) that have occurred during the last 90 days preceding the date of sampling and the documents recording those actions. (If no transactions have taken place during the last 90 days, samples will be taken from transactions going back to the last system survey.)

(ii) Articles in the possession or control of the contractor at that time.

(iii) Dispositions occurring since the last survey was made.

(2) The lot should encompass the maximum number of units possible within a functional area. For example, transactions pertaining to special tooling, special test equipment, and plant equipment may be combined into a single lot and sampled for their common characteristics. Characteristics not

common to units sampled shall be extracted for evaluation as a part of a separate lot.

(b) Sample sizes and statistical sampling techniques shall be in accordance with 18-45.7213.

(c) After the examinations are performed and the findings recorded, the findings shall be analyzed and the conclusions and recommendations recorded. Decisions as to satisfactory or unsatisfactory conditions shall be made for each lot at the functional area level.

(d) If any category is found unsatisfactory during a survey, the property administrator shall determine the effects upon the complete system. All other applicable categories shall be surveyed to identify other defects and the extent of defectiveness in the overall system.

(e) The property administrator shall discuss problems disclosed during the survey with the contractor's personnel as they are noted, or during the exit interviews, and shall strive to resolve differences informally. Resolved problem areas shall be reported in the record of system evaluation, with the notation that they have been corrected.

18-45.7209-6 System survey summary.

(a) The property administrator shall prepare a formal record at the conclusion of each system survey in the format set forth below:

(1) *Introduction:* contractor's name and address, period of survey, and types of property involved.

(2) *Method used:* explain method of performing the survey.

(3) *Conclusions:* state conclusions reached (if unsatisfactory categories, functional areas, or characteristics are found, identify the defects found).

(4) *Action required:* state any actions necessary to correct unsatisfactory conditions.

(b) The property administrator shall forward a summary of the system survey to the contractor, advising of any unsatisfactory conditions and requesting the contractor to correct them within the time limitations agreed to during the exit interview. The property administrator shall also advise the contractor in this letter that failure to correct the unsatisfactory conditions may result in disapproval of its property control system. A copy of the summary shall also be retained in a survey case file, and whenever unsatisfactory conditions have been disclosed, a copy of the summary shall be provided to the administrative contracting officer. When conditions dictate (e.g., indication of significant noncompliance with contract requirements or other continued failures jeopardizing the interest of the Government), the purchasing office and the pre-award survey monitor shall also be advised in writing.

18-45.7209-7 Correction of unsatisfactory conditions.

If unsatisfactory conditions are disclosed, the property administrator shall ensure that corrective action is taken. If the contractor fails to take corrective action or to respond to the letter forwarded as prescribed in 18-45.7209-6 above, the property administrator shall proceed in accordance with 18-45.7208-6 and FAR 45.104(c).

18-45.7209-8 Survey case file.

The property administrator shall establish a case file for each system survey, containing the survey plan, work papers, and summary. The case file shall be maintained in the Contract Property Control Data File or the general file which the property administrator maintains for matters pertaining to that contractor.

18-45.7209-9 Additional administrative responsibilities.

The initial review, evaluation, and subsequent visits should give the property administrator a reasonable indication of future workload with each contractor. Loss, damage, destruction, or excessive consumption of Government property demand the property administrator's significant and prompt attention, particularly when the contractor's system is not approved.

18-45.7209-10 Declaration of excess property.

A problem often disclosed by systems surveys is the failure of a contractor to report Government property not needed in performance of the contract (excess). The property administrator shall fully document and report any such finding to the administrative contracting officer. After a report of excess received from a contractor has been referred to the plant clearance officer for screening and ultimate disposition, the property administrator shall ensure prompt disposition. For centrally reportable plant equipment, the property administrator shall --

(a) Assure the preparation and submission of individual reports (DD Form 1342 or equivalent) required of the contractor;

(b) Verify to permit certifications required by the forms; and

(c) Transmit the report to the NASA Industrial Property Officer.

18-45.7210 Closure of contracts.

18-45.7210-1 Completion or termination.

Upon completion or termination of a contract, the property administrator shall --

(a) Monitor the actions of the contractor in returning excess Government property not referred to the plant clearance officer; and

(b) Advise the cognizant plant clearance officer as to the existence at a contractor's plant of residual property requiring disposal.

18-45.7210-2 Final review and closing of contracts.

(a) When informed that disposition of Government property under a contract has been completed, the property administrator shall perform a final review and sign a determination that --

(1) Disposition of Government property has been properly accomplished and documented;

(2) Adjustment documents, including any request of the contractor for relief from responsibility, have been processed to completion;

(3) Proceeds from disposals or other property transactions, including adjustments, have been properly credited to the contract or paid to the Government as directed by the contracting officer;

(4) All questions as to title to property fabricated or acquired under the contract have been resolved and appropriately documented; and

(5) The contract property control record file is complete and ready for retirement.

(b) When final review pursuant to paragraph (a) above reveals that such action is proper, the property administrator shall accomplish and sign a DD Form 1593, Contract Administration Completion Record, or equivalent.

(c) The executed DD Form 1593 shall be forwarded to the contracting officer, the Property Summary Data Record shall be so annotated, and the contracting officer shall include it in the contract file.

18-45.7211 Special subjects.

18-45.7211-1 Government property at alternate locations of the prime contractor and subcontractor plants.

(a) Government property provided to a prime contractor may be located at other plants of the prime contractor or at subcontractor locations. The prime contractor is accountable and responsible to the Government for this property.

(b) A Government property administrator cognizant of the location of the property shall normally be designated to (1) perform required surveys of the property control system and (2) exercise surveillance over the property as a supporting responsibility.

(c) If the property administrator determines that supporting property administration is required, he or she shall write the cognizant contract administration office asking that a property administrator be assigned. The request for supporting property administration shall include --

(1) The name and address of the prime contractor;

(2) The prime contract number;

(3) The name and address of the alternate location of the prime contractor, or of the subcontractor where the property will be located;

(4) A listing of the property being furnished, or, if property is being acquired locally, a statement to this effect; and

(5) A copy of the subcontract or other document under which the property will be furnished or acquired.

(d) Concurrent with the action cited in paragraph (c) above, the property administrator shall ascertain whether the prime contractor will perform the necessary reviews and surveillance with the contractor's own personnel, or elect to rely upon the system approval and continuing surveillance by a supporting property administrator of the property control system at the alternate location or subcontractor plant. If the prime contractor advises that it will accept the findings of a supporting property administrator, a statement in writing to that effect shall be obtained. If the prime contractor does not so elect, it shall be required to perform the requisite reviews and surveillance and document its actions and findings.

(e) If a single item or limited quantities of property will be located at an alternate location or subcontractor plant, the property administrator may determine that supporting property administration is unnecessary, provided--

(1) The prime contractor's records adequately reflect the location and use of the property;

(2) The nature of the property is such that the possibility of its use for unauthorized purposes is unlikely; and

(3) The nature of the property is such that a program of preventive maintenance is not required.

(f) When supporting property administration will not be requested, the services of a property administrator in the contract administration office cognizant of the site where the property is located may be requested on an occasional basis for special reviews or such other support as may be necessary. Repeated requests for assistance indicate a requirement for requesting supporting property administration.

18-45.7211-2 Loss, damage, or destruction of Government property.

(a) Normally, contract provisions provide for assumption of risk of loss, damage, or destruction of Government property as described below:

(1) Sealed-bid and certain negotiated fixed-price contracts provide that the contractor assumes the risk for all Government property provided under the contract (see the clause at FAR 52.245-2, Government Property (Fixed-Price Contracts)).

(2) Other negotiated fixed-price contracts provide that the contractor assumes the risk for all Government property provided under the contract, with the exceptions set forth in the clause at FAR 52.245-2, Alternate I and Alternate II.

(3) Cost-reimbursement contracts (see the clause at FAR 52.245-5, Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts)) provide that the Government assumes the risk for all Government property provided under the contract when there is no willful misconduct or lack of good faith of any of the contractor's managerial personnel as defined in the contract.

(4) There are certain events for which the Government does not assume the risk of loss, damage, or destruction of Government property, such as risks the contract expressly requires the the contractor to insure against. Therefore, before reaching a conclusion or making a determination, the contracting officer shall obtain property administrator review of the contract clause and shall obtain advice from appropriate legal counsel on questions of legal meaning or intent.

(5) "Willful misconduct" may involve any intentional or deliberate act or failure to act causing, or resulting in, loss, damage, or destruction of Government property.

(6) "Lack of good faith" may involve gross neglect or disregard of the terms of the contract or of appropriate directions of the contracting officer or the contracting officer's authorized representatives. Examples of lack of good faith may be demonstrated by the failure of the contractor's managerial personnel to establish and maintain proper training and supervision of employees and proper application of controls in compliance with instructions issued by authorized Government personnel.

(b) If part of the contractor's system is found to be unsatisfactory, the property administrator shall increase surveillance of that part to prevent, to the extent possible, any loss, damage, or destruction of Government property. The property administrator shall give special attention to reasonably ensuring that any loss, damage, or destruction occurring during a period when a contractor's system is not approved is identified before approval or reinstatement of approval.

18-45.7211-3 Loss, damage, or destruction of Government property while in contractor's possession or control.

(a) The property administrator shall require the contractor to report any loss, damage, or destruction of Government property in its possession or control (including property in the possession or control of subcontractors) as soon as it becomes known.

(b) When physical inventories, consumption analyses, or other actions disclose (1) consumption of Government property considered unreasonable by the property administrator or (2) loss, damage, or destruction of Government property not reported by the contractor, the property administrator shall prepare a statement of the items and amount involved. This statement shall be furnished to the contractor for investigation and submission of a written report to the property administrator relative to the incidents reported.

(c) The contractor's reports referenced in paragraphs (a) and (b) above shall contain factual data as to the circumstances surrounding the loss, damage, destruction, or excessive consumption, including --

(1) The contractor's name and the contract number;

(2) A description of items lost, damaged, destroyed, or unreasonably consumed;

(3) The cost of property lost, damaged, destroyed, or unreasonably consumed and cost of repairs in instances of damage (in event actual cost is not known, use reasonable estimate);

(4) The date, time (if pertinent), and cause or origin of the loss, damage, destruction, or consumption;

(5) Known interests in any commingled property of which the Government property lost, damaged, destroyed, or unreasonably consumed is (or was) a part;

(6) Insurance, if any, covering the Government property or any part or interest in any commingled property;

(7) Actions taken by the contractor to prevent further loss, damage, destruction, or unreasonable consumption and to prevent repetition of similar incidents; and

(8) Other facts or circumstances relevant to determining liability and responsibility for repair or replacement.

(d) The property administrator shall investigate the incident to the degree required to reach a valid and supportable conclusion as to (1) the contractor's liability for the loss, damage, destruction, or unreasonable consumption under the terms of the contract, and (2) the course of action required to conclude the adjustment action. When required, the assistance of the quality assurance representative, industrial specialist, insurance officer, legal counsel, or other technician will be secured. When the contractor acknowledges liability, the property administrator shall forward a copy of the credit memorandum or other adjusting document to the administrative contracting officer and auditor, if appropriate, to assure proper credit. If analysis of contract provisions and circumstances establishes that the loss, damage, destruction, or consumption constitutes a risk assumed by the Government, the property administrator shall so advise the contractor in writing, thereby relieving the contractor of responsibility for the property. A copy of the documentation and notification to the contractor shall be retained in the Contract Property Control Data File for the contract.

(e) (1) If the property administrator concludes that the contractor is liable for the loss, damage, destruction, or unreasonable consumption of Government property, he or she shall forward the complete file with conclusions and recommendations to the contracting officer for review and determination. The file shall contain --

(i) A statement of facts as supported by investigation;

(ii) Recommendations as to the contractor's liability and its amount;

(iii) Recommendations as to action to be taken with regard to third party liability, if appropriate;

(iv) Requirements for disposition, repair, or replacement of damaged property; and

(v) Other pertinent comments.

(2) A copy of the contracting officer's determination shall be furnished to the contractor and the property administrator, and a copy shall be retained in the contracting officer's files. The property administrator's copy shall be filed in the Contract Property Control Data File for the contract when all pertinent actions, such as compensation to the Government or repair or replacement of the property, have been completed.

18-45.7211-4 Financial reports.

The property administrator is responsible for obtaining financial reports as prescribed in 18-45.505-14 for all contracts assigned to him or her. Reports shall be accumulated, reviewed and distributed as required. Contractors are required to submit separate reports on each contract that contains the property reporting clause (see 18-52.245-73) except as noted in 18-45.7101-4(c).

18-45.7212 Contractor utilization of Government property.

18-45.7212-1 Utilization surveys.

(a) The property administrator is responsible for ensuring that the contractor has effective procedures for evaluating Government property utilization. However, when necessary, the contract administration office shall provide specialists qualified to perform the technical portion of utilization surveys to assist the property administrator in determining the adequacy of these procedures.

(b) Upon assignment of an initial contract under which Government-owned plant equipment in particular will be provided to a contractor, the property administrator shall ensure that the contractor has established effective procedures and techniques for controlling its utilization. The property administrator, with the assistance of technical specialists, if necessary, shall evaluate these procedures. A record of the evaluation shall be prepared and become a part of the property administration file. If the procedures are determined inadequate, the record shall identify the deficiencies and the corrective actions necessary. If the deficiencies are not corrected by the contractor, the property administrator shall promptly refer the matter to the contracting officer.

(c) The property administrator shall perform annual surveys of the contractor's procedures related to utilization of Government-owned plant equipment. At contractor facilities having a substantial quantity of plant equipment, the surveys should normally be conducted on a continual basis, reviewing equipment utilization records and physically observing a group of preselected items during each portion of the survey. Surveys shall be conducted to the degree determined necessary, considering the findings of prior surveys and the contractor's performance history in identifying and declaring equipment excess to authorized requirements. The contractor shall be required to justify, by specific Government programs, the retention of all Government-owned plant equipment. The property administrator shall make maximum use of contractor's machine loading data, order boards, production planning records, machine time records, and other production control methods.

(d) The property administrator shall conduct a special survey when a significant change occurs in the contractor's production schedules, such as a termination, completion of a contract, or a major adjustment in a program. Special surveys may be limited to a given department, activity, or division of a contractor's operation.

(e) In the absence of adequate justification for retention, the contractor shall identify and report Government-owned plant equipment in accordance with FAR 45.502(g) and FAR 45.509-2(b)(4). Items that are part of approved inactive package plants or standby lines are exempted from utilization surveys. The contracting officer shall ascertain periodically whether existing authorizations for standby or lay-away requirements are current.

18-45.7212-2 Records of surveys.

The property administrator shall prepare a record incorporating written findings, conclusions, and recommendations at the conclusion of each survey. If appropriate, the property administrator's record may be limited to a statement expressing concurrence with the reports of other specialists. The property administrator shall retain one copy of each record in the property administration file.

18-45.7212-3 Scope of survey.

The property administrator shall consider and use as appropriate the following in preparing for, conducting, and recording the results of the plant equipment utilization surveys:

(a) Identification of contracts under which plant equipment was furnished or acquired.

(b) Number and dollar value of plant equipment items in contractor's possession.

(c) Adequacy of equipment use records.

(d) Identification of contracts for which use of plant equipment is authorized.

(e) Other authorized use (Government or commercial) of the plant equipment, whether required approvals have been obtained, and whether rental payment is required.

(f) Planned machine loadings, including performance of a physical review of selected plant equipment items.

(g) Whether contractor-owned equipment of like function is loaded before loading Government-owned plant equipment.

(h) Items reported by quality assurance representatives or other personnel to be in a questionable use and utilization status.

(i) Items of plant equipment that may be made available for other use by combining the work of two or more machines on a single machine with low utilization rate. In such case the survey record should indicate the date the DD Form 1342, DoD Property Record or equivalent format, was forwarded to the NASA contracting officer.

18-45.7213 Statistical sampling.

(a) **General.** Statistical sampling supports, but does not replace, the property administrator's judgment. It is used to evaluate and determine the performance level for each functional area and category within each property control system. The lot to be examined for defects should encompass the maximum possible number of line items of property, records and documents. All items in the lot must have common characteristics and the same control elements of the property control system must apply or more than one lot will be necessary. Items selected for sampling may be used to examine characteristics of more than one category (i.e., items selected under records may be used to examine characteristics of acquisition, stock control, storage and movement, maintenance, physical inventory, utilization, and consumption).

(b) **Use of statistical sampling plans.** The Government's risk shall not exceed 10% excepting any slight variations due to changes in lot sizes. Table 18-45-2 contains sampling plans for use in achieving a confidence level of 90%, i.e., there is 90% confidence of rejecting lots having 10% or more defectives. The sample sizes to be examined may be determined from either Table 18-45-2A or B.

(c) **Random number table.**

(1) Use of a table of random numbers is a common technique for drawing a sample. (A table is available from the NASA Headquarters Supply and Equipment Management Division (Code NIE).) However randomization techniques may be applied provided they are defined beforehand in the property administration survey plan and exhibit clear protection against bias. In any event, the number of items in the lot must not be overestimated to avoid selection of random numbers greater than the lot. For example, if the lot is 9,000, only numbers lower than 9,001 shall be selected. Using a random table to draw a random sample requires the following four steps:

(i) ***First step.*** A pattern must be established between the numbers in the table and items in the lot to be sampled. It is possible to use the whole random number or any portion thereof. For instance, the number 18,967 may appear in the table. If the lot size is more than 99 but less than 1,000, a three digit number is required and either the first three digits (189) or the last three (967) may be used. If the lot size is more than 999 but less than 10,000, a four digit number is required and either the first four digits (1,896) or the last four (8,967) may be used. Once this pattern has been established, it must be consistently used throughout the sample selection process.

(ii) ***Second step.*** A procedure for selecting the numbers from the table must be selected. Any systematic path for going through the table, if the path is clear and does not cross over or reuse any number previously used, is acceptable. It is possible to proceed across rows, down columns, diagonally, clockwise, counter-clockwise, or in some combinations of these methods; however, it is usually desirable to choose a simple pattern and go down columns or across rows.

(iii) *Third step.* The starting point in the table shall be selected at random. The most used method is to open the table of random numbers to any page and to use the number indicated by an arbitrarily placed pencil point.

(iv) *Fourth step.* Beginning at the starting point and proceeding through the table as planned in the second step, record the numbers found in succession in the table, using all or part of the number as planned in the first step. Duplicate numbers shall be skipped. The selection process shall be continued until the required sample size is drawn.

(2) Numbers taken from the random table shall be arranged and recorded in numerical order. If the units of the lot to be examined are already consecutively numbered, the units having the numbers corresponding to those taken from the random table become the sample units. Otherwise, the sample units shall be found by counting to the numbers taken from the random table.

TABLE 18-45-2A

SINGLE SAMPLING PLAN

Lot Size	Sample Size	Limits	
		Satisfactory	Unsatisfactory
1-17	All	0	1
18-50	17	0	1
51-90	31	1	2
91-150	44	2	3
Over 150	65	3	4

TABLE 18-45-2B

DOUBLE SAMPLING PLAN

Lot Range	Sample Size 1	Accept if Defects in Sample 1 Are	Reject if Defects in Sample 1 Are	Continue with Sample 2 if Defects in Sample 1 Are	Sample Size 2	Accept if Sum of Defects in Samples 1 and 2 Equals or is Less Than	Reject if Sum of Defects in Samples 1 and 2 Equals or Exceeds
1-18	All	0	1	-	-	-	-
19-50	18	0	1	-	-	-	-
51-90	21	0	2	1	21	1	2
91-150	25	0	3	1 or 2	25	2	3
151-400	32	0	4	1, 2, or 3	32	3	4
401-10,000	34	0	4	1, 2, or 3	34	3	4
10,001-35,000	40	0	5	1, 2, 3, or 4	40	4	5
35,001-100,000	46	0	6	1, 2, 3, 4, or 5	46	5	6
100,000+	52	0	7	1, 2, 3, 4, 5, or 6	52	6	7

PART 18-46

QUALITY ASSURANCE

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PART 18-46
QUALITY ASSURANCE

SUBPART 18-46.2
CONTRACT QUALITY REQUIREMENTS

18-46.270 Contract clauses for space flight-related operations.

(a) The contracting officer shall insert the clause at 18-52.246-70, Space Transportation System (STS) Personnel Reliability Program, in solicitations and contracts involving critical positions in accordance with NASA Management Instruction 8610.13. The clause, however, shall not be used in procurements for flight crew members or payload specialists when these individuals are covered by other NASA Management Instructions that have screening requirements equivalent to those in NMI 8610.13 (for example, NMI 7100.16, Payload Specialists for NASA-Related Projects).

(b) The contracting officer shall insert the clause at 18-52.246-73, Manned Space Flight Item, in solicitations and contracts for manned space flight hardware and flight-related equipment where it has been determined by the technical requirements initiator that the highest available quality standards are necessary to ensure astronaut safety.

SUBPART 18-46.4 GOVERNMENT CONTRACT QUALITY ASSURANCE

18-46.470 Contract clause.

The contracting officer may insert a clause substantially as stated at 18-52.246-71, Government Contract Quality Assurance Functions, in solicitations and contracts. Insert the items involving quality assurance, the applicable functions (e.g., preliminary inspection, final inspection, acceptance), and the place(s) of performance appropriate for the particular procurement. See FAR 46.401.

SUBPART 18-46.6 MATERIAL INSPECTION AND RECEIVING REPORTS

18-46.670 Introduction.

18-46.670-1 General.

(a) This Subpart 18-46.6 contains procedures and instructions for using, preparing, and distributing the Material Inspection and Receiving Report (MIRR) (DD Form 250 series) and suppliers' commercial shipping/packing lists used to evidence Government procurement quality assurance (PQA).

(b) MIRRs are used by receiving, status control, technical, contracting, inventory control, requisitioning, and paying activities to document PQA, acceptance of supplies and services, and shipments. MIRR's are not required to be used for --

(1) Shipments by subcontractors when direct shipment is not made to the Government;
(2) Shipment of contractor inventory (see FAR 45.601); or
(3) Movement of Government property unless for original acquisition.

(c) To preclude delays in shipments or payments and avoid multiple corrections, contractors are encouraged to consult the cognizant Government representative regarding implementation of this subpart.

18-46.670-2 Applicability.

(a) This subpart applies to all deliveries of supplies or services procured by or for NASA except --

(1) Procurements effected under FAR Part 13;
(2) Negotiated subsistence procurements;
(3) Subcontracts under which direct shipment is not made to the Government; or
(4) Contracts for which the end item is a technical or scientific report.

(b) When NASA provides PQA and/or acceptance services for non-NASA activities, the MIRR shall be prepared in accordance with the instructions of this subpart unless the contract specifies otherwise.

18-46.670-3 Use.

The DD Form 250 is a multi-purpose report used for --

(1) PQA--to provide evidence of PQA at origin or destination;
(2) Acceptance--to provide evidence of acceptance at origin or destination;
(3) Packing list;
(4) Receiving;
(5) Shipping;
(6) Contractor invoice;
(7) Contractor invoice support; and
(8) Contractor internal use.

18-46.670-4 Application.

(a) The DD Form 250 shall be used for delivery of contract line, contract subline, exhibit line, or exhibit subline items.

(b) If the "shipped to," "marked for," "shipped from," "PQA," and "acceptance" data are the same for more than one shipment made on the same day under the same contract, one MIRR shall be prepared to cover all such shipments, except that, if the volume of the shipments precludes the use of a single car, truck, or other vehicle, either a copy of the single MIRR or a separate MIRR shall be provided for each vehicle.

(c) The DD Form 250 may be, but is not required to be, used for imprest fund purchases, purchase orders, delivery orders placed against Federal Supply Schedule contracts, delivery orders placed against indefinite-delivery contracts, or delivery orders placed against blanket purchase agreements, or whenever the purchasing, requisitioning, or ordering document adequately provides for inspection and/or acceptance.

18-46.670-5 Forms.

(a) Contractors may obtain from the contracting office upon request, and at no cost, MIRR forms required for use in connection with Government contracts.

(b) Contractors may print forms, provided (1) their format and dimensions (DD Forms 250 and 250c--8-1/2 in. x 11 in.) are identical to the MIRR forms printed by the Government and (2) the forms are cast to provide for 78 characters per printed image horizontally and 62 lines vertically border-to-border for the DD Form 250 and 61 lines vertically border-to-border for the DD Form 250c.

18-46.671 Procurement quality assurance on shipments between contractors.

(a) The supplier's commercial shipping document/packing list shall indicate performance of required PQA actions at subcontract level. The following entries shall be made on the supplier's commercial shipping document/packing list:

Required PQA of listed items has been performed.

Date: (Signature of Authorized Government Representative) (Typed Name and Office)

(b) Distribution for Government purposes shall be one copy --

(1) With shipment;
(2) For the Government representative at consignee (via mail); and
(3) For the Government representative at consignor.

18-46.672 Preparing DD Forms 250 and 250c.

18-46.672-1 Preparation instructions.

DD Form 250, Material Inspection and Receiving Report (MIRR), and DD Form 250c, Material Inspection and Receiving Report--Continuation Sheet, shall be prepared as follows:

(a) **General.**

(1) The date, when required, shall utilize seven spaces consisting of the last two digits of the year, three-alpha month abbreviation, and two digits for the day (e.g., 67AUG07, 87SEP24).

(2) The address, when required, shall consist of the name, street address/P.O. box, city, State, and ZIP code.

(3) When the DD Form 250c is used, the data entered in the blocks at the top of the form shall be identical to the comparable entries in Blocks 1, 2, 3, and 6 of the DD Form 250.

(4) Overflow data of the DD Form 250 shall be entered in Block 16 or in the body of the DD Form 250c with appropriate block cross reference. Additional DD Form 250c sheets solely for continuation of Block 23 data shall not be numbered or distributed as part of the MIRR.

(b) **Classified information.** Classified information shall not be included in or appear on the MIRR, nor shall the MIRR be classified.

(c) **Block 1--PROC. INSTRUMENT IDEN. (CONTRACT).**

(1) Enter the contract number as contained in the contractual document, including any applicable call/order number.

(2) Enter the name of the contracting office immediately below the contract number. This requirement may be satisfied by inclusion of the approved prefix used in the contract number to identify the contracting office.

(d) **Block 2--SHIPMENT NO.**

(1) The shipment number is composed of a three-alpha-character prefix and a four-character numeric or alpha-numeric serial number.

(i) The prefix shall be controlled and assigned by the prime contractor and shall consist of three alpha characters for each "shipped from" address (Block 11).

(ii) The first shipment under a prime contract from each "shipped from" address shall be numbered 0001; all subsequent shipments under that prime contract shall be consecutively numbered.

(A) Alpha-numerics shall be used when more than 9,999 numbers are required. Alpha-numerics shall be serially assigned, with the alpha in the first position, followed by the three-position numeric serial number. The alpha-numeric sequence shall be (the letters I and O shall not be used) A001 through A999 (10,001 through 10,999); B001 through B999 (11,001 through 11,999); to Z999.

(B) When this series is completely used, numbering shall revert to 0001.

(2) The shipment number of the initial shipment shall be reassigned when a "replacement shipment" is involved (see (r)(2)(iv) below).

(3) The prime contractor shall control deliveries and on the last shipment of the contract shall suffix the shipment number with a "Z" in addition to that required for line items (see Block 17). If the contract final shipment is from other than the prime contractor's plant, the prime contractor may elect (i) to direct the subcontractor to suffix the "Z" or, on receipt of the subcontractor final shipment information, (ii) to correct the DD Form 250 covering the last shipment from the prime contractor's plant by adding a "Z" to that shipment number.

(e) **Block 3--DATE SHIPPED.** Enter the date the shipment is released to the carrier or the date of completion of services. If the shipment will be released after the date of PQA and/or acceptance, enter the estimated date of release. When the date is estimated, enter an "E" after it. Distribution of the MIRR shall not be delayed for entry of the actual shipping date. Reissuance of the MIRR is not required to show the actual shipping date.

(f) **Block 4--B/L TCN.** When applicable, enter --

(1) The commercial or Government bill of lading number after "B/L"; and

(2) The Transportation Control Number after "TCN."

(g) **Block 5--DISCOUNT TERMS.** The discount, in terms of percentages and corresponding days allowed, shall be entered as described below:

(1) The contractor may, at its option, enter the discount terms on all copies of the MIRR.

(2) When the MIRR is used as an invoice, see 18-46.672-4.

(h) **Block 6--INVOICE.** Enter the invoice number and date as described below:

(1) The contractor may, at its option, enter the invoice number and date on all copies of the MIRR.

(2) When the MIRR is used as an invoice, see 18-46.672-4.

(i) **Block 7--PAGE/OF.** Consecutively number the pages comprising the MIRR. On each page, enter the total number of pages of the MIRR.

(j) **Block 8--ACCEPTANCE POINT.** Enter an "S" for origin or "D" for destination as specified in the contract as the point of acceptance. Enter an alphabetic "O" for other if the point of acceptance is not specified in the contract.

(k) **Block 9--PRIME CONTRACTOR.** Enter the address.

(l) **Block 10--ADMINISTERED BY.** Enter the address of the contracting office cited in the contract.

(m) **Block 11--SHIPPED FROM/CODE/ FOB.**

(1) Enter the code and address of the "shipped from" location. If identical to Block 9, enter "See Block 9."

(2) For performance of services line items that do not require delivery of items upon completion of services, enter the code and address of the location at which the services were performed. If the DD Form 250 covers performance at multiple locations or if identical to Block 9, enter "See Block 9."

(3) Enter on the same line and to the right of "FOB" an "S" for origin or "D" for destination as specified in the contract. Enter an alphabetic "O" if the FOB point cited in the contract is other than origin or destination.

(n) **Block 12--PAYMENT WILL BE MADE BY.** Enter the address of the payment office cited in the contract.

(o) **Block 13--SHIPPED TO.** Enter the address of the consignee as contained in the contract or shipping instructions.

(p) **Block 14--MARKED FOR.** Enter the "mark for" address and/or other designation as contained in the contract or shipping instructions.

(q) **Block 15--ITEM NO.** Enter the contract line, contract subline, exhibit line, or exhibit subline item identification as set forth in the contract. If four or fewer digits are used, position them to the left of the vertical dashed line. Where a six-digit identification is used, enter the last two digits to the right of the vertical dashed line.

(r) **Block 16--STOCK/PART NO./ DESCRIPTION.**

(1) Enter, as applicable, for each line item, using single spacing between each line item, the following:

(i) The Federal Stock Number (FSN) or noncatalog number and, if applicable, prefix or suffix. When a number is not provided or it is necessary to supplement the number, include other identification, e.g., manufacturer's name or Federal Supply Code, as published in Cataloging Handbook H4-1, and part numbers. Additional part numbers may be shown in parentheses. Also enter the descriptive noun of the item nomenclature and, if provided, the Government-assigned management/material control code. In the case of equal-kind supply items, the first entry shall be the description without regard to kind; e.g., "Resistor" or "Vacuum Tube". Below this description, enter the contract line item number in Block 15 and stock/part number followed by the size or type in Block 16.

(ii) On the next printing line, if required by the contract for control purposes, enter the make, model, serial number, lot, batch, hazard indicator, and/or similar description.

(iii) On the next printing line, enter the FEDSTRIP requisition number(s) when provided in the contract or shipping instructions.

(2) In addition to the entries required above, enter on the next line the following as appropriate (when applicable to all line item numbers identified in the MIRR, enter such data only once, after the last line item entry. Entries may be extended through Block 20):

(i) Enter in capital letters any special handling instructions/limits for material environmental control; e.g., temperature, humidity, aging, freezing, and shock.

(ii) When an FSN is required by, but not cited in, a contract and has not been furnished by the Government, shipment may be made without it at the direction of the contracting officer. Enter the authority for the shipment.

(iii) When Government-furnished property (GFP) is included with or incorporated into the line item, enter "GFP".

(iv) When the shipment consists of replacements for supplies previously furnished, enter in capital letters "REPLACEMENT SHIPMENT" (see subparagraph (s)(3) below for replacement indicators.)

(v) For items shipped with missing components, enter and complete the following: "Item(s) shipped short of the following component(s): FSN or comparable identification ____ , Quantity ____ , Estimated Value ____ , Authority ____ ."

(vi) When shipment is made of components that were short on a prior shipment, enter and complete the following: "These components were listed as shortages on Shipment Number ____ , date shipped ____ ."

(vii) When shipments involve drums, cylinders, reels, containers, skids, etc., designated as returnable under contract provisions, enter and complete the following: "Return to ______ , Quantity ____ , Item ______ , Ownership (Government/contractor)."

(viii) Enter shipping container number(s), the type, and the total number of the shipping container(s) included in the shipment.

(ix) The MIRR shall be used to record and report the waivers and deviations from contract specifications, including the source and authority for the waiver or deviation (e.g., the contracting office authorizing the waiver or deviation and the identification of the authorizing document).

(x) For shipments involving discount terms, enter ***"DISCOUNT EXPEDITE"*** in at least one-inch outline-type letters.

(xi) When test/evaluation results are a condition of acceptance and are not available before shipment, the following note shall be entered if the shipment is approved by the contracting officer: "Note: Acceptance and payment are contingent upon receipt of approved test/evaluation results." The contracting officer shall advise (A) the consignee of the results (approval/disapproval) and (B) the contractor to withhold invoicing pending attachment to its invoice of the approved test/evaluation results.

(xii) The copy of the DD Form 250 required to support payment for destination acceptance (top copy of the four with shipment) or Alternative Release Procedure (ARP) origin acceptance (additional copy furnished to the Quality Assurance Representative (QAR)) shall be identified by entering ***"PAYMENT COPY"*** approximately one-half-inch outline-type letters with ***FORWARD TO BLOCK 12***

ADDRESS" in approximately one-quarter-inch letters immediately below. Do not obliterate any other entries.

(xiii) A double line shall be drawn completely across the form following the last entry.

(s) **Block 17--QUANTITY SHIP/REC'D.**

(1) Enter the quantity shipped, using the unit of measure indicated in the contract for payment. When a second unit of measure is used for purposes other than payment, enter the appropriate quantity directly below in parentheses.

(2) Enter a "Z" below the first digit of the quantity when --

(i) The total quantity of the line item is delivered, including variations within contract terms; and

(ii) All shortages on items previously shipped short are delivered.

(3) If a replacement shipment is involved, enter below the first digit of the quantity the letter "A" to designate first replacement, "B" for second replacement, and so forth. The final shipment indicator "Z" shall not be used when a final line item shipment is replaced.

(t) **Block 18--UNIT.** Enter the abbreviation of the unit of measure indicated in the contract for payment. When a second unit of measure is indicated in the contract for purposes other than payment or is used for shipping purposes, enter the abbreviation of the second unit of measure directly below in parentheses. Authorized abbreviations are listed in MIL-STD-129, Marketing and Storage.

(u) **Block 19--UNIT PRICE.** Enter the unit price on all NASA copies whenever the MIRR is used for voucher or receiving purposes.

(v) **Block 20--AMOUNT.** Enter the extended amount when the unit price is entered in Block 19.

(w) **Block 21--PROCUREMENT QUALITY ASSURANCE.** The words "conform to contract" contained in the printed statements in Blocks A and B relate to contract obligations pertaining to quality and to the quantity of the items on the report. The statements shall not be modified. Notes taking exception shall be entered in Block 16 or on attached supporting documents with appropriate block cross reference.

(1) ***"A. ORIGIN."***

(i) The authorized Government representative shall --

(A) Place an "X" when applicable in the appropriate PQA and/or acceptance box(es) to evidence origin PQA and/or acceptance (when the contract requires PQA at destination in addition to origin PQA, an asterisk shall be entered at the end of the statement and an explanatory note in Block 16);

(B) Enter the date of signature;

(C) Sign; and

(D) Enter the typed, stamped, or printed name of the signer and office code.

(2) ***"B. DESTINATION."***

(i) When acceptance at origin is indicated in Block 21A, no entries shall be made in Block 21B.

(ii) When PQA and acceptance or acceptance is at destination, the authorized Government representative shall --

(A) Place an "X" in the appropriate box(es);

(B) Enter the date of signature;

(C) Sign; and

(D) Enter typed, stamped, or printed name and title.

(x) **Block 22--RECEIVER'S USE.** This block shall be used by the receiving activity (Government or contractor) to denote receipt, quantity, and condition. The receiving activity shall enter in this block the date the supplies arrived; when off-loading or in-checking occurs subsequent to the day of arrival of the carrier at the installation, the date of the carrier's arrival is the date received for purposes of this block.

([illegible]) **Block 23--CONTRACTOR USE ONLY.** This block is provided and reserved for contractor use.

18-46.672-2 Consolidated shipments.

When individual shipments are held at the contractor's plant for authorized transportation consolidation to a single destination on a single bill of lading, the applicable DD Forms 250 may be prepared at the time of PQA or acceptance prior to the time of actual shipment (see Block 3).

18-46.672-3 Correction instructions.

When, because or errors or omissions, it is necessary to correct the MIRR after distribution has been made, it shall be revised by correcting the original master and distributing the corrected form. The corrections shall be made as follows:

(a) Circle the error and place the corrected information in the same block. If space is limited, enter the corrected information in Block 16, referencing the error page and block.

(b) The words ***"CORRECTIONS HAVE BEEN VERIFIED"*** shall be entered on page 1. The authorized Government representative shall date and sign immediately below the statement.

(c) MIRR's shall not be corrected for Block 19 and 20 entries.

(d) Pages of the MIRR requiring correction shall be clearly marked ***"CORRECTED COPY"***, avoiding obliteration of any other entries. Even though corrections are made on continuation sheets only, page 1 shall also be marked ***"CORRECTED COPY"***.

(e) Page 1 and only those continuation pages marked ***"CORRECTED COPY"*** shall be distributed to the initial distribution. A complete MIRR with corrections shall be distributed to new addressee(s) created by error corrections.

18-46.672-4 Invoice instructions.

Contractors are encouraged to use copies of the MIRR as an invoice in lieu of a commercial form, but are not required to do so. When the MIRR is used as an invoice, four copies shall be prepared and forwarded to the payment office as follows:

(a) Complete Blocks 5, 6, 19, and 20.

(b) Mark, in letters approximately one inch high, the first copy ***"ORIGINAL INVOICE"*** and the remaining three copies ***"INVOICE COPY"***.

(c) Forward the four copies to the payment office (Block 12 address).

18-46.672-5 Packing-list instructions.

Copies of the MIRR may be used as a packing list. If so, the packing list copies shall be in addition to the copies of the MIRR required for distribution (see 18-46.673) and shall be marked "PACKING LIST".

18-46.672-6 Receiving instructions.

When the MIRR is used for receiving purposes, procedures shall be as prescribed by local directives. If PQA and acceptance or acceptance of supplies is required upon arrival at destination, see Block 21B for instructions.

18-46.673 Distribution of DD Forms 250 and 250c.

(a) DD Forms 250 and 250c shall be distributed in accordance with the procedures prescribed by the installation.

(b) The contractor is responsible for distributing DD Forms 250 and 250c in accordance with the provisions of the contract or instructions of the contracting officer.

18-46.674 Contract clause.

The contracting officer shall insert the clause at 18-52.246-72, Material Inspection and Receiving Report, in solicitations and contracts, except those using small purchase procedures or where the only deliverable items are technical or scientific reports. Insert the number of copies to be prepared. Paragraph (a) may be changed to specify advance copies or separate distribution of the DD Form 250.

SUBPART 18-46.7
WARRANTIES

18-46.703 Criteria for use of warranties.

18-46.703-70 Additional criteria.

In deciding whether to use a warranty clause, at least the following factors shall be considered in addition to those at FAR 46.703:

(a) Cost of correction or replacement, either by the contractor or by another source, in the absence of a warranty.

(b) Operation of the warranty as a deterrent against the furnishing of defective or nonconforming supplies.

(c) Whether the contractor's present quality program is reliable enough to provide adequate protection without a warranty, or, if not, whether a warranty would cause the contractor to institute an effective and reliable quality program.

(d) Reliance on "brand-name" integrity.

(e) Whether a warranty is regularly given for a commercial component of a more complex end item.

18-46.704 Authority for use of warranties.

(a) A warranty clause shall be used when it is found to be in the best interests of the Government, after an analysis of the factors listed in 18-46.703-70 and FAR 46.703.

(b) Except for the warranty clause for commercial items covered in FAR 46.709 and FAR 46.710(a)(2), and warranties contained in Federal, military, or construction specifications, the decision to use a warranty clause or to include a warranty provision in a specification other than a Federal, military, or construction specification shall be made only upon the written authorization of the procurement officer or a designee. This decision may be made either for individual procurements or for classes of procurements.

(c) Warranties required by applicable architect-engineer specifications shall be included in construction contracts.

18-46.709 Warranties of commercial items.

18-46.709-70 Limitation.

In procurements involving a commercial item of supply or service or construction, the contracting officer may include in the solicitation and contract a warranty clause that is standard or customary in the trade, or that is substantially similar to and not in excess of a standard or customary trade warranty, but only if the contracting officer, after reviewing the factors listed in 18-46.703-70 and FAR 46.703, decides that inclusion of such a clause is in the Government's best interest.

18-46.770 Administration.

When the contracting officer is notified of a defect in warranted items, the contracting officer should ascertain whether the warranty is currently in effect and ensure that the contractor is given proper and timely notice of the defect.

PART 18-47

TRANSPORTATION

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PART 18-47
TRANSPORTATION

SUBPART 18-47.2
CONTRACTS FOR TRANSPORTATION OR FOR TRANSPORTATION-RELATED SERVICES

18-47.200 Scope of subpart.

18-47.200-70 Charter of aircraft.

When procuring aircraft by charter, contracting officers shall comply with NMI 7910.1, NASA Aircraft Management.

SUBPART 18-47.3
TRANSPORTATION IN SUPPLY CONTRACTS

18-47.304 Determination of delivery terms.

18-47.304-3 Shipments from CONUS for overseas delivery.

18-47.304-370 NASA export privilege.

NASA has certain export licensing privileges for moving commodities to foreign destinations. Advice should be obtained from the transportation officer in order to make full use of these privileges.

18-47.305 Solicitation provisions, contract clauses, and transportation factors.

18-47.305-10 Packing, marking, and consignment instructions.

In contracts providing for delivery f.o.b. origin and shipment under Government bills of lading, consignment instructions may be limited to the mail address of the consignee (receiving activity), provided the contract instructions state: "Shipment other than mail shall be consigned as indicated on the Government bill of lading furnished to the contractor." Various receiving activities may have different consignment points for the various transportation media or for particular carriers within a medium, depending on the weight, shape, size, or nature of the shipment involved.

18-47.305-13 Transit arrangements.

(a) When the provision at FAR 52.247-56 is used, the solicitation shall state that offers will be evaluated on the basis of the lowest overall cost to the Government, including transportation costs to NASA from point of origin to final destination, taking into account any applicable transit privileges.

(b) If the nature of the procurement is such that carload or truckload shipments might be made by the contractor from one point (such as a subcontractor's plant) to another for processing or fabrication and delivery to the Government, solicitations shall require the contractor to furnish information that will enable the Government to benefit from any transit privilege that might apply in shipment to final destination.

18-47.305-70 NASA contract clauses.

(a) The contracting officer shall insert the clause at 18-52.247-70, Returnable Containers, in contracts involving the purchase of gas or other supplies in contractor-furnished returnable, reusable containers, if the contractor retains title to the containers.

(b) The contracting officer may insert a clause substantially as stated at 18-52.247-72, Advance Notice of Shipment, in solicitations and contracts when the f.o.b point is destination and special Government assistance is required in the delivery or receipt of the items. Insert the number of work days prior to shipment that advance notice is required, the items to be shipped, and the individual(s) to receive notification.

(c) The contracting officer may insert a clause substantially as stated at 18-52.247-73, Shipment by Government Bills of Lading, in f.o.b. origin solicitations and contracts. Insert the name, title, mailing address, and telephone number of the designated transportation officer or other official delegated responsibility for GBLs.

SUBPART 18-47.5
OCEAN TRANSPORTATION BY U.S.-FLAG VESSELS

18-47.506 Procedures.

18.47.506-70 Compliance with the Cargo Preference Act.

(a) The transportation officer in each field installation shall establish and maintain a register to reflect adherence to the Cargo Preference Act. The register shall contain data related to shipments made by the installation and by NASA contractors. Where no transportation officer is available, it shall be maintained by the contracting office. The register shall contain pertinent details of ocean shipments, including, but not limited to, the ports of origin and destination of shipments, commodity descriptions, and gross weight, freight revenue, name of vessel, operator of vessel, and date of loading. The register shall be maintained current and organized so that adherence to the Cargo Preference Act can be ascertained at all times. Insofar as is practicable, compliance with the 50-percent minimum requirements of the Cargo Preference Act shall be maintained on a quarter-year basis; any deficiencies in maintaining compliance shall be corrected by the end of the calendar year.

(b) On the basis of the registers maintained under paragraph (a) above, quarterly reports reflecting ocean shipments shall be submitted to the Division of National Cargo, Office of Market Development, Maritime Administration, Department of Transportation, Washington, DC, 20590 (see FAR 47.506(d)). Negative reports are required when applicable. Reports shall be made by the transportation officers and contracting officers responsible for maintaining the registers.

18-47.507 Contract clauses.

The clause at FAR 52.247-64 shall be used as prescribed in FAR 47.507. When it is used, it shall be used with the appropriate alternate.

SUBPART 18-47.70
PROTECTION OF THE FLORIDA MANATEE

18-47.7001 Contract clause.

The contracting officer shall insert the clause at 18-52.247-71, Protection of the Florida Manatee, in solicitations and contracts when deliveries or vessel operations, dockside work, or disassembly functions under the contract will involve use of waterways inhabited by manatees (endangered marine mammals). The clause shall be included also in applicable subcontracts (including vendor deliveries).

PART 18-48

VALUE ENGINEERING

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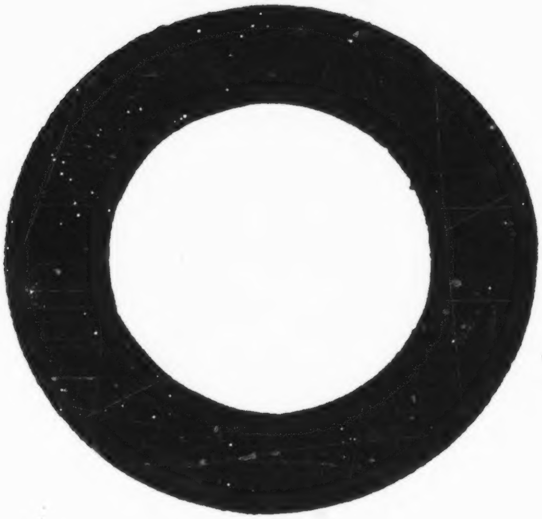

PART 18-48
VALUE ENGINEERING

SUBPART 18-48.1
POLICIES AND PROCEDURES

18-48.102 Policies.

(a) The exemptions permitted under FAR 48.102(a) are granted on a case-by-case basis, or for specific classes of contracts, by the Assistant Administrator for Procurement.

(b) Profit or fee shall be excluded when calculating instant or future contract savings, except that in calculating instant or future contract savings on firm-fixed-price contracts when the parties have not set out a specific figure for profit, the contracting officer shall use the total contract price as the basis for calculating the savings.

(c) The FAR requires agencies to establish procedures for funding and payment of the contractor's share of collateral savings and future contract savings. Therefore, the contracting officer shall notify the responsible technical official of the potential for awarding the contractor future or collateral savings if the submitted value engineering change proposal (VECP) is accepted. (See 18-48.103.) Upon acceptance, the contracting officer shall obtain the concurrence of the program office and amend the instant contract to reflect payment of future or collateral savings.

18-48.103 Processing value engineering change proposals.

Upon receipt of a VECP, the contracting officer shall promptly forward it to the technical officer responsible for the contract, indicating --

(a) The date the VECP was received;

(b) The date by which the contractor must be informed of the Government's acceptance or rejection of the VECP unless additional time is required for evaluation;

(c) The date by which the contracting officer must know of the technical officer's decision in order to timely accept or reject the VECP;

(d) The need for information required to inform the contractor if the VECP is to be rejected or if additional time is needed for evaluating the VECP;

(e) The potential for awarding concurrent, future, or collateral savings to the contractor if the VECP is accepted;

(f) That if the VECP is accepted, precise information will be needed with regard to the type of savings, Government costs, etc., that can be expected from its acceptance;

(g) The need for a procurement request setting forth the specification changes to be used in any contract modification accepting the VECP in whole or in part; and

(h) The need for additional funds if acceptance of the VECP results in negative instant contract savings.

18-48.104 Sharing arrangements.

18-48.104-2 Sharing collateral savings.

The contracting officer may make the determination that the cost of calculating and tracking collateral savings will exceed the benefits to be derived.

SUBPART 18-48.2
CONTRACT CLAUSES

18-48.201 Clauses for supply or service contracts.

18-48.201-70 NASA conditions.

(a) **General.** The Assistant Administrator for Procurement may exempt a contract or a class of contracts from the requirements of FAR Part 48.

(b) **Value engineering incentive.** Unless the chief of the contracting activity authorizes its inclusion, the contracting officer shall not include the VE incentive clause in solicitations and contracts that fall under the exemptions at FAR 48.201(a)(1) through (5). With respect to the sixth exception (FAR 48.201(a)(6)), the procurement officer may not authorize inclusion of a VE clause in a contract or class of contracts exempted by the Assistant Administrator for Procurement.

(c) **Value engineering program requirement.** NASA contracting officers shall insert the VE program requirement clause (the clause at FAR 52.248-1 used with its Alternate I or II) in (1) initial production contracts for major systems and (2) major systems R&D contracts for full-scale development, unless the contracting officer determines that its use is inappropriate and documents the file to reflect that determination. The VE program requirement clause (FAR 52.248-1, Value Engineering, used with its Alternate I or II) is appropriate for an R&D major systems contract only if the contract specifications contain detailed requirements that, in the contracting officer's judgment, lend themselves to VE.

(d) **Research and development.** The contracting officer may not insert either the VE incentive clause (FAR 52.248-1, Value Engineering) or the VE program requirement clause (FAR 52.248-1, Value Engineering, used with its Alternate I or II) in an R&D contract where the statement of work is essentially an incorporation by reference of the prospective contractor's proposal. If any other part of the statement of work in such a contract reflects a Government specification that might profit from or be improved by application of VE techniques, the contracting officer shall consider inserting the VE incentive clause (FAR 52.248-1, Value Engineering) or VE program requirement clause (FAR 52.248-1, Value Engineering, used with its Alternate I or II), to refer to that part.

PART 18-49

TERMINATION OF CONTRACTS

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PART 18-49
TERMINATION OF CONTRACTS

SUBPART 18-49.1
GENERAL PRINCIPLES

18-49.101 Authorities and responsibilities.

18-49.101-70 Appointment/delegation.

(a) Heads of installations shall appoint a termination contracting officer (TCO) (see FAR 2.101) to perform specific duties relating to contract termination as one of that individual's primary functions. Such duties should include --

(1) Receiving and reviewing NASA Forms 1412, Termination Authority;

(2) Reviewing the contract and related documents before issuing the notice of termination, to ensure protection of the Government's rights under the contract;

(3) Issuing notices of termination, reinstatement, and recession to contractors;

(4) Assigning termination docket control numbers;

(5) Developing, maintaining, and managing basic controls relating to contract termination and settlement actions; and

(6) Carrying out the duties, functions, and responsibilities described in FAR Part 49 and this Part 18-49.

(b) Contracting offices shall utilize the services of the Department of Defense and other Government agencies whenever possible to administer and negotiate settlement of terminated contracts. Delegation of the termination function shall be made in accordance with FAR Subpart 42.2 and Subpart 18-42.2 of this Regulation.

18-49.101-71 Termination authority.

NASA Form 1412, Termination Authority, is prescribed for use by NASA installations when initiating action to terminate a contract for convenience or default. The project manager or the activity initiating the procurement request should initiate the action by completing NASA Form 1412 and submitting it to the contracting officer.

18-49.102 Notice of termination.

18-49.102-70 Prior clearance of significant contract terminations.

(a) Before any notice or information concerning a proposed contract termination involving a reduction in employment of 100 or more contractor employees is released to a contractor, prior NASA Headquarters clearance of the information release is required; release of information to Congress or the public is the responsibility of NASA Headquarters through its liaison point designated in paragraph (b) below. In a labor surplus area, a reduction of fewer than 100 may be significant and, if so, should be similarly cleared.

(b) The contracting officer shall submit the following information to the Office of External Relations, NASA Headquarters (Code X):

(1) Contract number.

(2) Date of award.

(3) Type of contract.

(4) Name of company.

(5) Nature of contract or end item.

(6) Reasons for the termination.

(7) Contract price of items terminated.

(8) Total number of contractor employees involved, including the Government's estimate of the number that may be discharged.

(9) Anticipated impact on the company and the community.

(10) Name of the community affected.

(11) Area labor category.

(12) Whether contractor is large or small business.

(13) Any known impact on disadvantaged employment programs.

(14) Total number of subcontractors involved and the impact in this area, if known.

(15) Unclassified draft of suggested press release.

(c) After the decision has been made to terminate a contract, the contracting officer shall immediately request clearance to release the information. Pending receipt of the clearance, "For Official Use Only" handling shall be used unless classified information is involved. The contracting officer shall furnish copies of the request to the Office of External Relations (Code X) and the cognizant program office.

(d) The Office of External Relations (Code X) shall act promptly on the request (not days after receipt) to avoid the accrual of termination costs.

18-49.105 Duties of termination contracting officer after issuance of notice of termination.

18-49.105-70 Termination docket checklist.

The termination contracting officer shall complete NASA Form 1413, Termination Docket Checklist, to ensure adequacy of records under FAR 49.105.

18-49.110 Negotiation memorandum.

Formats for negotiation memoranda for settlements requiring Settlement Review Board action appear in 18-49.603-70.

18-49.111 Review of proposed settlements.

18-49.111-70 Settlement Review Boards.

Procurement officers at each NASA installation shall establish a Settlement Review Board (the Board) to review proposed settlements or determinations as required by 18-49.111-71(a). Each Board should be composed of at least three qualified employees of the installation with broad business and contracting experience. Each Board should include a lawyer, an engineer or industrial specialist, and, in appropriate cases, an accountant. Three members of the Board shall constitute a quorum; the Board may act by a majority of the members present. No person may serve as a member of a Board in reviewing a settlement in which that member has participated.

18-49.111-71 Required review and approval.

(a) **When required.** Before executing a settlement agreement, issuing a determination of the amount due under the termination clause of a contract, or approving or ratifying a subcontract settlement, the TCO shall submit it for review and approval by the Board if --

(1) It involves $50,000 or more (see FAR 49.002(d));

(2) It is limited to adjustment of the fee of a cost-reimbursement contract or subcontract and (i) in the case of a complete termination, the fee, as adjusted, is $50,000 or more, or (ii) in the case of a partial termination, the

fee, as adjusted, with respect to the terminated portion of the contract or subcontract is $50,000 or more;

(3) The procurement officer concerned determines that a review is desirable; or

(4) The TCO desires review by the Board.

(b) **Submission of information.** The TCO shall submit to the Board the Termination Settlement Supplemental Agreement and supporting documentation. The documentation should include copies of (1) the contractor's or subcontractor's settlement proposal, (2) the audit report, (3) termination inventory schedules, (4) consolidated SF 1424, Inventory Disposal Report, (5) the TCO's negotiation memorandum explaining the settlement (see FAR 49.110), and (6) the opinion of any other Board that previously reviewed the settlement. The Board will prescribe the number of copies and may require the submission of additional information.

18-49.111-72 Scope of review.

The function of the Board is to judge the reasonableness of the proposed settlement agreement or determination. The Board may vary the scope and intensity of its review as circumstances warrant. While it is not intended that the Board examine in detail every element of the proposed settlement agreement or determination, the Board may review some elements to assure its overall reasonableness.

18-49.111-73 Action by the Board.

The Board shall submit to the TCO a written opinion approving or disapproving the proposed settlement agreement or determination. Failure of the Board to submit a written opinion within 30 days after submission to the Board of all the information required under 18-49.111-71(b) shall operate as an approval.

18-49.111-74 Subcontracts.

A TCO may authorize the contract administration office cognizant of an upper-tier subcontractor to grant approval or ratification, including necessary Board approvals, of proposed subcontractor settlements described in FAR 49.108-3(c), that are first reviewed and referred by the prime contractor to the TCO. This procedure may be used only for specified contracts and is not applicable to settlements between the contractor and its immediate subcontractors.

SUBPART 18-49.5 CONTRACT TERMINATION CLAUSES

18-49.505 Other termination clauses.

18-49.505-70 NASA contract clause.

The contracting officer shall insert the clause at 18-52.249-72, Termination (Utilities), in all solicitations and contracts for utilities services.

SUBPART 18-49.6 CONTRACT TERMINATION FORMS AND FORMATS

18-49.603 Formats for termination for convenience settlement agreements.

Termination contracting officers (TCOs) must use the format shown in 18-49.603-70 for the settlement memorandum (see FAR 49.110). Contractors and subcontractors are encouraged to use this format appropriately modified to cover subcontract settlements submitted for review and approval.

18-49.603-70 Termination Contracting Officer's Settlement Memorandum.

(a) **General information.** The TCO shall include the following information regarding the contractor, contract, and termination notice:

(1) *Identification.* TCOs shall identify the purpose and content of the memorandum.

(i) The TCO shall give the name and address of the contractor and discuss any pertinent affiliation between prime contractors and subcontractors relative to the overall settlement.

(ii) The TCO shall list the names and titles of contractor and Government personnel who participated in the negotiation.

(2) *Description of terminated contract.* The TCO shall state the --

(i) Date of contract;

(ii) Contract number;

(iii) Type of contract;

(iv) General description of contract items;

(v) Total contract price; and

(vi) Applicable contract termination provisions and clause.

(3) *Termination notice.* The TCO shall reference the termination notice and state --

(i) The effective date of termination;

(ii) The scope and nature of termination (complete or partial);

(iii) The items terminated;

(iv) The unit prices;

(v) The total price of items terminated for fixed-price contracts or the estimated cost and fee applicable to items terminated for cost-reimbursement type contracts;

(vi) Whether the termination notice was amended and, if so, why;

(vii) Whether the contractor stopped work on the termination effective date (if it did not, furnish details) and whether subcontracts were terminated promptly;

(viii) Any redirection of common items and return of goods to the contractor's suppliers; and

(ix) The extent of contract performance and timely deliveries by the contractor.

(b) **Contractor's settlement proposal.** The TCO shall summarize the contractor's settlement proposal. The summary shall include the following:

(1) *Date and amount.* The TCO shall identify the date and location where the claim was filed and its gross amount (if interim settlement proposals were filed, information shall be furnished for each claim).

(2) *Basis of claim.* The TCO shall identify the basis of the claim, e.g., inventory, total cost, or other basis. The TCO shall explain any approvals granted in connection with submission on other than an inventory basis.

(3) *Examination of proposal.* The TCO shall identify the types of reviews

made and by whom (audit, engineering, legal, or other).

(c) **Tabular summary of contractor's claim.** The TCO shall summarize the proposed settlement in tabular form. The summary shall include the cost elements/items, the amounts claimed, the Government recommended position (including auditor and technical personnel recommendations), and the negotiated settlement amounts. This summary shall include, if appropriate, the previous reimbursed and unreimbursed costs applicable to the prime contractor and subcontractor, previous profit/fees paid and unpaid; settlement cost less disposal credit or other credits, and a recapitulation of previous settlements. The TCO shall expand the format to include field recommendations that will be considered.

(d) **Settlement summary.** The TCO shall address the settlements reached on the items in subparagraphs (1) through (14) following:

(1) *Contractor's cost.*

(i) If the settlement was negotiated on the basis of individual items, the TCO shall specify the factors and the consideration given with respect to each item.

(ii) If the auditor's final report was not available for consideration, the TCO shall state the circumstances.

(iii) The TCO shall elucidate the tabular summaries with comment.

(iv) In the case of a lump sum settlement, the TCO shall discuss the basis for each element of cost and profit/fee.

(v) The TCO shall explain any unusual items of cost.

(vi) The TCO shall discuss any important adjustments made to costs claimed or any significant amounts in relation to the total claim.

(vii) If a partial termination is involved, the TCO shall state whether the contractor has requested an equitable adjustment in the price of the continued portion of the contract.

(viii) The TCO shall discuss any unadjusted contractual changes included in the settlement.

(ix) The TCO shall discuss whether or not a loss would have been incurred and explain any adjustment made for the loss.

(x) The TCO shall furnish other information explaining the recommended settlement to the Settlement Review Board or any other reviewing authority.

(2) *Profit/Fee.*

(i) The TCO shall explain the basis and factors considered in arriving at an equitable profit under a fixed-price contract.

(ii) The TCO shall explain the adjustments to the fixed fee, identify the basis used (such as percentage of completion), and describe the factors considered in arriving at an equitable fee under a cost-reimbursement type contract. The TCO shall include any tabular summaries or breakdowns deemed helpful to an understanding of the process.

(3) *Settlement expenses.* The TCO shall discuss and summarize those expenses not included in the audit.

(4) *Subcontractor settlements.* The TCO shall identify the number and dollar amount of any settlements approved by the TCO and concluded by the contractor under delegation of authority.

(5) *Partial payments.* The TCO shall furnish the total amount of any partial payments.

(6) *Progress or advance payments.* The TCO shall furnish the total of unliquidated progress or advance payments.

(7) *Claims of the Government against the contractor included in settlement agreement reservations.* The

TCO shall list any outstanding claims the Government has against the contractor regarding the terminated contract.

(8) ***Assignments.*** The TCO shall list any assignments, identifying the name and address of each assignee.

(9) ***Disposal credits.*** The TCO shall furnish information as to any applicable disposal credits and quantify them.

(10) ***Plant clearance.*** The TCO shall state whether all plant clearance actions have been completed and all inventory sold, retained, or otherwise properly disposed of in accordance with applicable plant clearance regulations. The TCO shall discuss any unusual matters pertaining to plant clearance. The TCO shall attach a consolidated closing plant clearance report, if applicable.

(11) ***Government property.*** The TCO shall state whether all Government property has been accounted for.

(12) ***Special tooling.*** The TCO shall discuss the disposition of any special tooling, if applicable.

(13) ***Summary of settlement.*** The TCO shall summarize the complete or partial settlement in tabular form. The summary shall include, at a minimum, the amount claimed and allowed for contractor and/or subcontractor changes, disposal, prior payment credits, and contract price.

(14) ***Exclusions.*** The TCO shall describe any proposed reservation of rights to the Government or to the contractor.

(e) **Recommendation.** The TCO shall state (1) the amount of the gross settlement recommended and (2) that it is fair and reasonable to the Government and the contractor.

(f) **Signature.** The TCO shall sign and date the memorandum.

PART 18-50

EXTRAORDINARY CONTRACTUAL ACTIONS

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PART 18-50
EXTRAORDINARY CONTRACTUAL ACTIONS

SUBPART 18-50.2
DELEGATION OF AND LIMITATIONS ON EXERCISE OF AUTHORITY

18-50.202 Contract adjustment boards.

NMI 1152.5, Contract Adjustment Board, establishes the Contract Adjustment Board as the approving authority to consider and dispose of requests from NASA contractors for extraordinary contractual actions.

SUBPART 18-50.3 CONTRACT ADJUSTMENTS

18-50.305 Processing cases.

18-50.305-70 Submission of request to the Contract Adjustment Board.

(a) After investigating the facts and issues relevant to the contractor's request, the contracting officer shall forward the request to the Chairman, Contract Adjustment Board (CAB), NASA Headquarters (Code GG), including in the forwarding letter --

(1) The nature of the case;
(2) The disposition recommended for the request; and,
(3) If contractual action is recommended, the contracting officer's opinion that the action will facilitate the national defense.

(b) The forwarding letter shall enclose the contractor's request, all supporting material submitted by the contractor, and any material the contracting officer has obtained while investigating the facts and issues relevant to the request. The forwarding letter and all enclosures shall be submitted in duplicate. Any classified information in the material forwarded shall be so identified. The CAB, acting through its Counsel, may further investigate the facts and issues involved to obtain from the contractor, the contracting officer, or others any additional facts and evidence, necessary to make a determination on the contractor's entitlement to the relief requested or to other equitable relief.

18-50.306 Disposition.

18-50.306-70 Implementation of the Contract Adjustment Board's decision.

(a) Copies of the CAB's decision shall be transmitted to the contracting officer, who shall take such action as is authorized by the decision. If the CAB's decision is to reject the contractor's request for relief, the contracting officer shall advise the contractor of that decision.

(b) Except as provided in paragraph (c) below, immediately upon execution of a contract or contract modification or amendment implementing the CAB decision, the contracting officer shall forward two copies of the contractual document to the CAB Chairman, marked for the attention of the Counsel, for retention with the CAB's permanent files.

(c) Contracts or contract modifications or amendments for which NASA Headquarters approval is otherwise required under the FAR or this Regulation shall be forwarded for that approval. After approval has been received, the contracting officer shall comply with paragraph (b) above.

SUBPART 18-50.4
RESIDUAL POWERS

18-50.402 General.

All proposals for the exercise of indemnification authority shall be forwarded to the Assistant Administrator for Procurement (Code HS), who shall review and forward contractors' requests for indemnification through channels to the Administrator for approval. If the Administrator approves the use of indemnification authority, the Administrator shall sign a Memorandum of Approval.

18-50.403 Special procedures for unusually hazardous or nuclear risks.

18-50.403-1 Indemnification requests.

In addition to the information required by FAR 50.403-1(a), the contractor's request for indemnification shall include a copy of the relevant third-party comprehensive liability policies and products liability policies or the equivalent.

18-50.403-2 Action on indemnification requests.

In accordance with FAR 50.403-2, the contracting officer shall forward contractors' requests for indemnification for which the contracting officer recommends approval to the Assistant Administrator for Procurement (Code HS) for final processing to the Administrator.

18-50.403-3 Contract clause.

18-50.403-370 NASA contract clauses.

(a) In lieu of the clause or the clause with its Alternate I prescribed at FAR 50.403-3, the following clauses shall be used:

(1) To indemnify the contractor against unusually hazardous or nuclear risks in fixed-price contracts when approved in accordance with FAR Subpart 50.4 and this Subpart 18-50.4, the contracting officer shall insert the clause at 18-52.250-70, Indemnification Under Public Law 85-804--Fixed-Price Contracts.

(2) To indemnify the contractor against unusually hazardous or nuclear risks in cost-reimbursement contracts when approved in accordance with FAR Subpart 50.4 and this Subpart 18-50.4, the contracting officer shall insert the clause at 18-52.250-71, Indemnification Under Public Law 85-804--Cost-Reimbursement Contracts.

(b) The contracting officer shall insert the clause at 18-52.250-72, Space Activity--Unusually Hazardous Risks, in all contracts containing either of the clauses prescribed in paragraph (a) above, unless the Administrator approves a different definition of unusually hazardous risks to be used in a particular contract.

18-50.403-70 Reporting and records requirements.

(a) Concurrent with including indemnification provisions in any NASA prime contract pursuant to the authority of an indemnification Memorandum of Approval by the Administrator, the contracting officer shall submit a report directly to the Contract Adjustment Board that --

(1) References and provides two copies of the Administrator's Memorandum of Approval;

(2) Provides two copies of any clause deviations from the clauses prescribed at 18-50.403-370;

(3) Provides the contract number and date of award;

(4) If applicable, provides the contract modification number and date; and

(5) Complies with the reporting requirements of Public Law 85-804, 50 U.S.C. 1434, and Executive Order 10789, which currently states --

> "With respect to actions which involve actual or potential cost to the United States in excess of $50,000 the report shall ...
>
> (1) name the contractor;
>
> (2) state the actual cost or estimated potential cost involved;
>
> (3) describe the property or service involved; and
>
> (4) state further the circumstances justifying the action taken."

(b) The Contract Adjustment Board shall maintain two copies of each Memorandum of Approval required by FAR 50.403-2(b) and, for a period deemed appropriate by the Board, one copy of each report submitted by contracting officers.

18-50.470 Lead NASA installation.

(a) Contractors applying for indemnification shall be responsible for initially determining which NASA installation has the most significant amount of the contractor's procurement contracts, measured by either dollars or numbers, related to NASA space activities rather than to total NASA business. The indemnification request should be submitted to the procurement officer for that installation, who will then designate a cognizant contracting officer. This determination should be done at the contractor's highest level necessary to prevent duplicate requests from associate divisions, subsidiaries, or central offices of the contractor. NASA reserves the right to reassign a lead installation for purposes of processing indemnification requests made under this Regulation.

(b) Relying on the contractor's submission, the receiving contracting officer shall process the request using the procedures in FAR Subpart 50.4 and this Subpart 18-50.4. The receiving installation will become the lead installation and will remain so indefinitely. Lead installation designation may change to another installation if the losing and gaining procurement officers agree to the change. For example, a new award may so substantially alter the focus of a contractor's procurement contracts related to space activities toward a different installation that a change may be appropriate. Should a change occur in the lead installation, all records related to indemnification of that contractor shall be transferred to the gaining installation.

PART 18-51

USE OF GOVERNMENT SOURCES BY CONTRACTORS

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PART 18-51
USE OF GOVERNMENT SOURCES BY CONTRACTORS

SUBPART 18-51.1
CONTRACTOR USE OF GOVERNMENT SUPPLY SOURCES

18-51.101 Policy.

(a) NASA installations shall establish internal control over contractor use of GSA and other Federal supply sources.

(b) Use of official Government mailing privileges by NASA contractors is covered in NMI 1450.11, NASA Mail Management Program.

18-51.102 Authorization to use Government supply sources.

(a) In addition to considering the requirements of FAR 51.102(a), the contracting officer shall consider the potential for abuse by contractors authorized access to Government supply sources.

(b) The contracting officer shall forward letters of authorization to the installation's Supply and Equipment Management Officer, Attention: Activity Address Code Coordinator, who will forward them to the Supply and Equipment Management Division, NASA Headquarters (Code NIE), for verification and transmittal to GSA. Letters of authorization forwarded to Headquarters must be accompanied by the supporting determination and findings, which will not be forwarded to GSA.

(c) Substantially the following format shall be used for letters authorizing contractor use of Government supply sources:

SUBJECT: Authorization to Lease, Rent, or Purchase from General Services Administration (GSA) Supply Sources

(Contractor's name) ____________
(Address) ______________________

(1) You are hereby authorized to act for the Government in the following matters:

(i) The acquisition of supplies and/or services under Contract No. _______ available for purchase by Government agencies either directly from GSA stock or under Federal Supply Schedules, including GSA nonmandatory ADTS/ADP schedule contracts and GSA ADP requirements contracts, subject to the limitations set forth in this authorization.

(ii) The leasing or rental of equipment for use on Contract No. _______ available for lease or rental by Government agencies under Federal Supply Schedules, including GSA nonmandatory ADTS/ADP schedule contracts and GSA ADP requirements contracts, subject to the limitations set forth in this authorization.

(iii) The issuance of tax exemption certificates in lieu of the payment of State or other taxes for which the Government is not liable on supplies or services purchased under this authorization.

(2) (i) Purchase orders under GSA schedules and contracts shall be placed in accordance with the terms and conditions of the GSA schedule or contract and this authorization. A copy of this authorization shall be attached to the order (unless a copy was previously furnished to the GSA contractor) and shall contain the following statement:

> This order is placed on behalf of the National Aeronautics and Space Administration in furtherance of United States Government Contract No. ______________, pursuant to written authorization dated ________, a copy of which (is attached) (you have on file). In the event of any inconsistency between the terms and conditions of this order and those of the applicable GSA schedule/contract, the latter will govern.

(ii) Orders for items in the GSA Supply Catalog shall be placed in accordance with the Catalog and this authorization and shall include the address to which billings are to be sent. Bills are not issued by GSA until after shipment has been made and should therefore be paid promptly. Any necessary adjustments will be made by GSA subsequent to payment. All orders shall contain the following statement:

> This order is placed on behalf of the National Aeronautics and Space Administration in furtherance of United States Government Contract No. ____________, pursuant to written authorization dated _______, a copy of which (is attached) (you have on file).

(3) (Insert any other provisions and restrictions.)

(4) The authority hereby granted is not transferable or assignable.

____

(Contracting Officer)

(d) When requisitioning from the Department of Veterans Affairs, the contractor should use FEDSTRIP or MILSTRIP, as appropriate, Optional Form 347, or an installation-prescribed form.

18-51.102-70 Contractor acquisition of filing cabinets.

(a) Before ordering filing cabinets whose title will vest in the Government, NASA contractors shall --

(1) Transfer inactive records to contractor storage areas;
(2) Dispose of unnecessary records in accordance with corporate procedures;
(3) Use less expensive shelf filing methods;
(4) Take other actions to reduce the need for filing cabinets; and
(5) Furnish a statement to the cognizant contracting officer that, although the steps outlined in (1) through (4) above have been taken, sufficient additional filing capacity has not been produced.

(b) The contractor shall then submit its request to the contracting officer, who shall (1) confer with the Records Management Officer, the Property and Supply Officer, and the project officer and, if appropriate, (2) certify on all letter requests that the prerequisite actions have been taken by the contractor and that they have not produced the required filing space.

(c) If the need for filing cabinets is approved by the contracting officer, excess items of the type requested shall be furnished, if available, through appropriate property accountability channels.

(d) Approved requests that cannot be filled from excess shall be returned to the contractor with an authorization to obtain file cabinets, preferably through GSA.

18-51.103 Ordering from Government supply sources.

(a) All orders for GSA stock shall contain the statement in subparagraph (2)(ii) of the authorization format set forth in 18-51.102(c).

(b) Contracting officers shall use NMI 4050.2, Assignment and Maintenance of FEDSTRIP and MILSTRIP Activity Address Codes, to obtain FEDSTRIP/MILSTRIP activity codes.

18-51.104 Furnishing assistance to contractors.

When necessary, NASA personnel shall assist the contractor in preparing and submitting the initial FEDSTRIP or MILSTRIP requisitions, the Optional Form 347, or installation-prescribed forms.

PART 18-52

SOLICITATION PROVISIONS AND CONTRACT CLAUSES

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PART 18-52
SOLICITATION PROVISIONS AND CONTRACT CLAUSES

18-52.000 Scope of part.

This part, in conjunction with FAR Part 52, (a) gives instructions for using provisions and clauses prescribed by this Regulation and lower level provisions and clauses and (b) sets forth the provisions and clauses prescribed in this Regulation.

SUBPART 18-52.1
INSTRUCTIONS FOR USING PROVISIONS AND CLAUSES

18-52.101 Using FAR Part 52.

NASA contracting offices prescribing or developing clauses under the authority of FAR 52.101(b)(2)(i)(B) or (C) shall ensure that the requirements of FAR Subpart 1.4 and Subpart 18-1.4 are met.

18-52.103 Identification of provisions and clauses.

(a) Provisions and clauses prescribed by a NASA field installation to satisfy the needs of that particular installation shall be identified as stated in subparagraphs (1) and (2) below. Articles, formats, and similar language shall be treated as provisions and clauses for purposes of this section 18-52.103.

(1) A provision or clause shall be numbered using a prefix, a base, and a suffix. The prefix shall be an alphabetical abbreviation of the installation name (e.g., ARC, GSFC, HR, HW, JSC, KSC, LARC, LERC, MSFC, or SSC). The base shall be a numeric value beginning with "52.2," with the next two digits corresponding to the number of the FAR or NASA FAR Supplement subject part to which the provision or clause relates. The suffix shall be a hyphen and sequential number assigned within each part. NASA installations shall use suffix numbers from -90 to -199. For example, the first Johnson Space Center (JSC) provision or clause relating to Part 36 of the FAR or NASA FAR Supplement shall be JSC 52.236-90, the second JSC 52.236-91, and so forth. Provisions and clauses shall be dated in accordance with FAR 52.101(f).

(2) Contracting officers shall identify provisions and clauses as in the following examples:

(i) *I.2 BID ENVELOPES (GSFC 52.214-90) (AUGUST 1987)* This example is applicable when identifying the title of provisions and clauses in solicitations and contracts using the uniform contract format (UCF). The first number ("I.2") designates the UCF section and the sequential clause within that section. "GSFC 52.214-90" specifies the clause number.

(ii) *GSFC 52.214-90--Bid Envelopes (AUGUST 1987)* This example is applicable in all instances in which the provision or clause citation is not associated with the UCF number.

(b) Contracting officers shall not number provisions and clauses developed for individual procurements only. For example, "F.3 Delivery Procedures for Special Hardware" cites the third clause in Section F of a contract using the UCF, but has no clause number or date identified with it, indicating that the clause was developed for the particular contract it appears in.

18-52.103-70 Identification of modified provisions and clauses.

When a FAR clause or provision is included in a solicitation or contract and the NFS prescribes a modification, the title line shall identify the modification as shown below. This format shall be used both for incorporation by reference and when using full text.

> "52.232-22 Limitation of Funds (APR 1984)--as modified by NASA FAR Supplement 18-32.705-270(d)"

18-52.104 Procedures for modifying and completing provisions and clauses.

NASA FAR Supplement provisions and clauses shall not be modified (see FAR 52.101(a)) unless their modification is authorized by this Regulation. When it is authorized, contracting officers must comply with the procedures in FAR 52.104.

18-52.107 Provisions and clauses prescribed in Subpart 52.1.

18-52.107-70 NASA contract clause.

The contracting officer shall insert the clause at 18-52.252-70, Compliance with NASA FAR Supplement, in all contracts, including letter contracts.

SUBPART 18-52.2
TEXTS OF PROVISIONS AND CLAUSES

18-52.203-70 Contracts Between NASA and Former NASA Employees.

As prescribed in 18-3.7002, insert the following provision in all solicitations except IFB's:

CONTRACTS BETWEEN NASA AND FORMER NASA EMPLOYEES (DECEMBER 1988)

The offeror represents that he or she ( ) is, or ( ) is not, an individual who was employed by NASA during the past two years, or a firm in which such an individual is a partner, principal officer, or majority shareholder or that is otherwise controlled or predominantly staffed by such individuals.

(End of provision)

18-52.204-70 Report on NASA Subcontracts.

As prescribed in 18-4.672, insert the following clause in all NASA contracts of $500,000 or more or when a modification increases the amount of a contract to $500,000 or more:

REPORT ON NASA SUBCONTRACTS (DECEMBER 1988)

(a) The Contractor shall submit information on NASA Form 667 to the National Aeronautics and Space Administration (Code HM), Washington, DC 20546, substantially as follows with respect to each subcontract or subcontract modification exceeding $10,000 as soon as possible after its execution:

(1) The name and address of the prime contractor and the NASA prime contract number.

(2) The name and address of the subcontractor.

(3) Whether the subcontractor is a large or small business

concern and/or a minority business concern.

(4) Whether the type of effort being performed involves research and development.

(5) A brief description of the subcontract work.

(6) The amount of the subcontract.

(7) The principal location where the subcontract work is to be performed, if known.

(b) The Contractor and its subcontractors shall submit negative reports annually, if applicable, on each prime contract and first-tier subcontract subject to this reporting requirement. These negative reports shall be submitted not later than October 31 for the 12-month period ending September 30th of each year. The negative reporting shall be continued until the contract or subcontract has been physically completed and the National Aeronautics and Space Administration (Code HM), Washington, DC 20546, so notified by the Contractor or subcontractor.

(c) "Subcontract," as used in this clause, means procurement in excess of $10,000 by the Contractor or first-tier subcontractor of articles, materials, or services for performing this contract, except purchases, regardless of amount, of stock items, materials, or services that cannot be specifically identified with this contract.

(d) "Research and development," as used in this clause, means basic and applied research, and design and development of prototypes and processes, to (1) pursue a planned search for new knowledge, with or without reference to a specific application, (2) apply existing knowledge in the creation of new products or processes, or (3) apply existing knowledge in the improvement or modification of present products and processes. It excludes subcontracts for the purchase of standard commercial items and services.

(e) The Contractor shall --

(1) Insert the provisions of paragraphs (a), (b), (c), and (d) above in each subcontract over $50,000;

(2) Instruct its subcontractors to submit their reports directly to the National Aeronautics and Space Administration (Code HM), Washington, DC 20546; and

(3) Provide its subcontractors with the number of the NASA prime contract.

(End of clause)

18-52.204-71 NASA Contractor Financial Management Reporting.

As prescribed in 18-4.675-1(a), insert the following clause in contracts that require submission of any of the NASA Form 533 series of reports (excluding Form 533P).

NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING (DECEMBER 1988)

(a) The Contractor shall submit Financial Management Reports on NASA Form 533 in accordance with the instructions in Procedures for Contractor Reporting of Correlated Cost and Performance Data (NHB

9501.2) and on the reverse side of the forms, as supplemented in the Schedule of this contract. The detailed reporting categories to be used, which shall be correlated with technical and schedule reporting, shall be set forth in the contract Schedule. Contractor implementation of reporting requirements under this clause shall include NASA approval of the definitions of the content of each reporting category and give due regard to the Contractor's established financial management information system.

(b) Lower level detail used by the Contractor for its own management purposes to validate information reported to NASA shall be compatible with NASA requirements.

(c) Reports shall be submitted in the number of copies, at the time, and in the manner set forth in the contract Schedule or as designated in writing by the Contracting Officer. Upon completion and acceptance by NASA of all contract Schedule line items, the Contracting Officer may direct the Contractor to submit Form 533 reports on a quarterly basis only.

(d) The Contractor shall insert the substance of this clause in all first-tier cost-reimbursement subcontracts specifically identified in writing by the Contracting Officer and shall include their cost in its cost reports.

(e) If during the performance of this contract NASA requires a change in the information or reporting requirements specified in the Schedule, or as provided for in paragraph (a) or (c) above, the Contracting Officer shall effect that change in accordance with the Changes clause of this contract.

(End of clause)

18-52.204-72 NASA Contractor Financial Management Reporting (Performance Analysis Report).

As prescribed in 18-4.675-1(b), insert the following clause in contracts that require submission of NASA Form 533P in addition to the Form 533 series submission prescribed at 18-4.675-1(a).

NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING (PERFORMANCE ANALYSIS REPORT) (DECEMBER 1988)

Monthly reporting of contract performance shall be accomplished on the NASA Monthly Contractor Financial Management Performance Analysis Report (NASA Form 533P) in accordance with the instructions in Procedures for Contractor Reporting of Correlated Cost and Performance Data (NHB 9501.2) and on the reverse side of the form, as supplemented in the Schedule of this contract.

(End of clause)

18-52.204-75 Security Classification Requirements.

As prescribed in 18-4.404-70, insert the following clause:

SECURITY CLASSIFICATION REQUIREMENTS
(DECEMBER 1988)

Performance under this contract will involve access to and/or generation of classified information, work in a security area, or both, up to the level of ______________________ [insert the applicable security clearance level]. See Federal Acquisition Regulation clause 52.204-2 in this contract and DD Form 254, Contract Security Classification Specification, Attachment _____ [Insert the attachment number of the DD Form 254]. The offeror selected for award of this procurement shall be required to execute a DOD Security Agreement (DD Form 441), which binds the contractor to observe the provisions of the DOD Industrial Security Manual.

(End of clause)

18-52.207-70 Estimate of Work.

As prescribed in 18-7.7001, insert the following provision:

ESTIMATE OF WORK
(OCTOBER 1988)

It is estimated that approximately $________ [insert estimated value of procurement] will be available to perform this work. This estimate is provided as a guide only to the approximate effort required.

(End of provision)

18-52.208-70 Rates.

As prescribed in 18-8.309, insert the following clause:

RATES
(DECEMBER 1988)

(a) The Contractor shall be paid at the rates set out in Appendix A, provided that the Government shall be liable for any minimum monthly charge specified in this contract commencing with the billing period in which service is initially furnished and continuing until the contract is terminated, except that this charge shall be equitably prorated for the billing periods in which commencement and termina-tion of this contract become effective.

(b) The Contractor hereby certifies that the rates for the service furnished under this contract do not exceed the lowest rates available to any prospective customer under like conditions, and agrees that during the life of this contract the Government shall continue to be billed at the lowest rates applicable for similar conditions of service.

(End of clause)

18-52.208-71 Public Regulation and Change of Rates.

As prescribed in 18-8.309, insert the following clause:

PUBLIC REGULATION AND CHANGE OF RATES
(DECEMBER 1988)

(a) Rates under this contract shall be subject to regulation in the manner and to the extent prescribed by law by any Federal, State, or local regulatory agency having jurisdiction. The Contractor agrees to give the Contracting Officer written notice of the filing of an application for rate changes concurrently with the filing of the application. Such notice shall fully describe the proposed changes.

(b) If during the term of this contract the public regulatory agency having jurisdiction approves rates higher or lower than those stipulated in this contract, for like conditions of service, the Contractor agrees to continue to furnish service as stipulated in the contract and the Government agrees to pay the changed rates from the date they are made effective.

(c) If the regulatory agency promulgates any regulation concerning matters other than rates that affects this contract, the Contractor shall immediately notify the Contracting Officer. The Government shall not be bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) If the Contractor, during the term of this contract, makes effective any new or amended rate schedule for the class of service furnished the Government at the service location that contains lower rates or conditions more favorable to the Government, the Contractor shall (1) forward to the Contracting Officer a copy of the schedule within 15 days after its effective date and, upon receipt of written request from the Government, (2) substitute the new or amended schedule for the one then in effect under this contract for that service location, commencing with the billing period in which the request is received.

(End of clause)

18-52.208-72 Change in Class of Service.

As prescribed in 18-8.309, insert the following clause:

CHANGE IN CLASS OF SERVICE
(DECEMBER 1988)

(a) In the event of a permanent change in the class of service furnished the Government at the service location, service shall be furnished to that service location at the lowest available rate schedule of the Contractor applicable to the class of service furnished following that permanent change, subject to the Rates clause if this contract.

(b) If the Contractor's rate schedule on file with the regulatory agency and applicable to services provided by the Contractor does not contain a schedule applicable to the class of service furnished the Government, no clause in this contract shall preclude the parties from negotiating a rate schedule applicable to the class of service furnished.

(End of clause)

52.208-73 Contractor's Facilities.

As prescribed in 18-8.309, insert the following clause:

CONTRACTOR'S FACILITIES (DECEMBER 1988)

(a) The Contractor, at its expense, shall furnish, install, operate, and maintain all facilities required to furnish service under this contract to, and measure that service as of, the point of delivery specified in the Service Specifications. Title to these facilities shall be and remain in the Contractor, and the Contractor shall be responsible for all loss of or damage to them.

(b) The Government hereby grants to the Contractor, free of any rental or similar charge, but subject to any limitations specified in this contract, a revocable permit or license to enter the service location for any proper purpose under this contract, including use of the site or sites agreed upon by the parties for the installation, operation, and maintenance of the facilities of the Contractor required to be located upon Government premises. These facilities shall be and remain the property of the Contractor and shall, at all times during the life of this contract and any renewals, be operated and maintained by the Contractor at its expense. All taxes and other charges in connection with these facilities, together with all liability arising out of their construction, operation, or maintenance, shall be borne by the Contractor.

(c) Authorized representatives of the Contractor shall be allowed access to the Contractor's facilities at suitable times to perform the Contractor's obligations regarding the facilities. The facilities shall be removed and Government premises restored to their original condition by the Contractor at its expense within a reasonable time after the Government revokes the permit or license granted by this clause and in any event within a reasonable time after termination of this contract, provided that if the contract is terminated for default, the facilities may be retained in place at the Government's option until comparable service is obtained elsewhere.

(d) Proper Government authority may limit or restrict the right of access granted by this clause in any manner considered by that authority to be necessary for the national security.

(End of clause)

18-52.208-74 Technical Provisions.

As prescribed in 18-8.309, insert the following clause. Minor changes may be made in it when insisted upon by the contractor to conform with established procedures or those in the contractor's published rates filed with a regulatory agency. The following types of changes, when made for this purpose, are not considered within the intent of 18-8.307-71 relating to contracts requiring NASA Headquarters approval.

(a) **Measurement of service.**

(1) The words "billed conjunctively" in the second sentence of

clause subparabraph (a)(1) refer to the combination of similar quantities measured by two or more meters into a single quantity for the purpose of billing, as if the bill were prepared for a single meter. This sentence may be deleted, or the word "separately" may be inserted in lieu of the word "conjunctively," to conform to the contractor's regulated practice and/or when the schedule under which bills are computed is such that billing separately will be more economical than billing conjunctively.

(2) In clause subparagraph (a)(2), the periodic intervals prescribed between meter readings may be changed to conform to the contractor's regulated practice.

(b) **Meter test.**

(1) The first sentence of clause paragraph (b), requiring testing at intervals not exceeding one year, may be changed to provide for meter tests in accordance with the contractor's regulated practice.

(2) In the third sentence of clause paragraph (b), the percentage error (shown as 2 percent) may be changed to comply with the Contractor's regulated practice.

(c) **Continuity of service and consumption.**

(1) In clause subparagraph (d)(1), the adjustment provision may be deleted or changed, if necessary, to conform with the provisions of the contractor's field rate schedules. This subparagraph may be ended after the word "facilities" and before the word "provided." For the period, "10 hours" may be changed.

(2) Clause subparagraph (d)(2) may be deleted or changed, if the contractor's filed rates contain a provision requiring a continuation of demand or similar charges on a ready-to-serve basis during a period that the Government is unable to operate the service location for any cause beyond its control.

TECHNICAL PROVISIONS (DECEMBER 1988)

(a) **Measurement of service.**

(1) All service furnished by the Contractor shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, calibrated, and read by the Contractor at its expense. When two or more meters are installed at the service location, their readings shall be billed conjunctively. If any meter fails to register or registers incorrectly the service furnished through it, the parties shall agree upon the length of period during which it failed to register or registered incorrectly and the quantity of service delivered through it during that period, and, upon agreement, an appropriate adjustment shall be made in the Government's bills. For the purpose of the preceding sentence, any meter that registers not more than 2 percent slow or fast shall be deemed correct.

(2) The Contractor shall read meters on the same day of each month; if, however, that day falls on a Saturday, Sunday, or legal holiday, or if the Contractor is prevented from reading the meters on that day, the Contractor shall read the meters on the next succeeding business day on which it is able to do so, provided that (i) all bills based on meter reading intervals of less than 27 days or more than 33 days shall be prorated accordingly and (ii) there shall

be no more than 12 billings in any one year.

(b) **Meter test.** The Contractor, at its expense, shall periodically inspect and test the meters installed by it at intervals not exceeding 1 year. At the written request of the Contracting Officer, the Contractor shall make additional tests of any or all of these meters in the presence of Government representatives. The cost of these additional tests shall be borne by the Government if the percentage of errors is found to be not more than 2 percent slow or fast. No meter may be placed or allowed to remain in service that has an error in registration exceeding 2 percent under normal operating conditions.

(c) **Change in volume or character.** Reasonable notice shall, so far as possible, be given by the Contracting Officer to the Contractor regarding any material changes proposed in the volume or characteristics of the utility service required at each location.

(d) **Continuity of service and consumption.**

(1) The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of service at the service location, but shall not be liable for damages or breach of contract or otherwise to the Government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the Contractor's control, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, other catastrophes, strikes, or failure or breakdown of transmission or other facilities; provided that when any such failure, suspension, diminution, or variation aggregates more than 10 hours during any billing period, an equitable adjustment shall be made in the monthly rates specified in this contract (including the minimum monthly charge).

(2) If the Government cannot operate the service location in whole or in part for any cause beyond its control, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, other catastrophes, or strikes, an equitable adjustment shall be made in the monthly rates specified in this contract (including the minimum monthly charge) if the period during which the Government is unable to operate that service location in whole or in part exceeds 15 days during any billing period.

(End of clause)

18-52.208-75 Renewal of Contract.

As prescribed in 18-8.309, insert the following clause:

RENEWAL OF CONTRACT
(DECEMBER 1988)

This contract is renewable on an annual basis at the option of the Government, by the Contracting Officer giving written notice of renewal to the Contractor at least ________ days before expiration. If the Government exercises this option for renewal, the contract as renewed shall be deemed to include this option provision. However, the total duration of this contract, including the exercise of any options under this clause, shall not exceed _______ years.

(End of clause)

18-52.208-76 Change in Rates.

As prescribed in 18-8.309, insert the following clause:

CHANGE IN RATES
(DECEMBER 1988)

(a) If at any time during the term of this contract either of the parties considers it appropriate to change all or part of the rates applicable to the service furnished under this contract, the parties agree to promptly negotiate new rates upon receipt by one party of a written request from the other (1) specifying the rates to which a change is considered appropriate, (2) setting forth the proposed change, and (3) stating in detail the reasons for the proposed change. Any rate change agreed to by the parties as the result of such negotiations shall be made a part of this contract by the issuance of a supplemental agreement and shall become effective as of the date of the request for a change in rates, unless otherwise agreed.

(b) The Contractor agrees that a duly authorized representative of NASA shall have access to and the right to examine any pertinent books, documents, papers, or records of the Contractor relating to costs that form the basis for the rates.

(End of clause)

18-52.208-77 Connection Charge.

As prescribed in 18-8.309, insert the following clause:

CONNECTION CHARGE
(DECEMBER 1988)

(a) **Charge.** The Government, for the furnishing and installation by the Contractor at the Contractor's expense of the New Facilities described in Appendix C, attached to this contract and made a part of it, shall pay the Contractor, as a connection charge, after receipt of satisfactory evidence of completion of the facilities, $ ______ , representing the sum of $ ______ less the agreed salvage value in the amount of $ ______ , as shown in Appendix C; provided that, as a condition for final payment, the Contractor executes a release acceptable to the Contracting Officer of claims against the Government arising from that furnishing and installation.

(b) **Ownership, operation, and maintenance of new facilities to be provided.** The facilities to be supplied by the Contractor under this clause, notwithstanding the Government's payment of a connection charge, shall be and remain the property of the Contractor and shall, at all times during the life of this contract and any renewals, be operated and maintained by the Contractor at its expense. All taxes and other charges in connection with these facilities, together with all liability arising out of their construction, operation, or maintenance, shall be borne by the Contractor.

(c) **Credits.**

(1) The Contractor agrees to allow the Government on each monthly bill for service furnished under this contract to the service location, a credit of ____ percent of the amount of each bill as rendered, until the accumulation of credits equals the amount of the connection charge, provided that the Contractor may at any time allow a credit up to 100 percent of the amount of each bill.

(2) If the Contractor, before any termination of this contract but after completion of the facilities provided for in this clause, serves any customer other than the Government (regardless of whether the Government is being served simultaneously, intermittently, or at all) by means of those facilities, the corresponding benefit to the Contractor is hereby recognized. It is therefore agreed that upon initiation of such service, the Contractor shall promptly pay in full to the Government the uncredited balance of the connection charge, or accelerate the credits provided for under subparagraph (1) above to 100 percent of each monthly bill, until there is fully credited a sum equitably representing the same proportion of the uncredited balance of the connection charge as of the date of initiation of such service (as agreed upon by the parties) as the portion of the facilities utilized in serving the other customer bears to the complete facilities described in Appendix C.

(d) **Termination before completion of facilities.** The Government reserves the right to terminate this contract at any time before completion of the facilities with respect to which the Government is to pay a connection charge. If the event the Government exercises this right, the Contractor shall be paid fair compensation, exclusive of profit, with respect to those facilities.

(e) **Termination after completion of facilities.**

(1) *Termination by the Government.* If the Government terminates this contract after completion of the facilities for which the Government is to pay a connection charge, but before the crediting in full by the Contractor of any connection charge in accordance with the terms of this contract, the possible continued usefulness of those facilities is hereby recognized. Upon such termination, the Contractor shall have the following options:

(i) To retain in place for 12 months or more after the notice of termination by the Government such facilities on condition that (A) if, during that period, the Contractor serves any other customer by means of the facilities, the Contractor shall, in lieu of allowing credits, pay the Government during the period installments in like amount, manner, and extent as the credits provided for under paragraph (c) of this clause before the termination, and (B) immediately after the period, the Contractor shall promptly pay in full to the

Government the uncredited balance of the connection charge.

(ii) To remove such facilities at the Contractor's own expense within 12 months after the effective date of the termination by the Government; provided, that if the Contractor elects to remove them, the Government shall have the option of purchasing them at the agreed salvage value set forth in Appendix C; and provided further, that the Contractor shall, at the direction of the Government, leave in place such facilities located on Government property that the Contractor elects to remove and that the Government elects to purchase at the agreed salvage value.

(2) *Termination by the Contractor.* If the Contractor terminates service under, or otherwise defaults in performance of, this contract before the crediting in full, in accordance with the terms of this contract, of any connection charge paid by the Government, the Contractor shall pay to the Government an amount equal to the uncredited balance of the connection charge as of the date of termination.

(End of clause)

18-52.208-78 Termination Charge.

As prescribed in 18-8.309, insert the following clause and attach Appendix C to the contract when a payment is to be made to the contractor upon termination of service in lieu of a connection charge upon completion of the facilities. The length of time, not in excess of 60 months, as negotiated with the contractor shall be entered in the first blank. In the second blank, enter the amount of the maximum termination charge as negotiated with the contractor, but not in excess of the cost of facilities furnished and installed by the contractor less the agreed salvage value, as shown in Appendix C. Enter in the third blank the figure obtained by dividing the figure in the second blank by the figure in the first blank. The use of this clause does not affect the term of the contract; however, its use is subject to Headquarters approval in accordance with 18-8.307-71.

TERMINATION CHARGE (DECEMBER 1988)

For the furnishing and installation by the Contractor at its expense of the New Facilities described in Appendix C, attached to this contract and made a part of it, the Government shall, in the event of termination of this contract by the Government before ________ months from the date on which service commences, pay the Contractor as a termination charge ________ less ________ multiplied by the number of months service has been received after the date of termination.

(End of clause)

18-52.208-79 Multiple Service Locations.

As prescribed in 18-8.309, insert the following clause:

MULTIPLE SERVICE LOCATIONS (DECEMBER 1988)

(a) The Contracting Officer may at any time, by written order, designate any service location within the Contractor's service area at which service shall be furnished or discontinued under the order, and the contract shall be modified in writing accordingly by adding to or deleting from the Service Specifications the name and location of the appropriate service location and specifying (1) a different rate if applicable, (2) the appropriate point of delivery, (3) different service specifications if applicable, and (4) any other appropriate terms and conditions.

(b) The minimum monthly charge specified in this contract shall be equitably prorated from the billing period in which commencement or discontinuance of service at any service location designated under the Service Specifications becomes effective.

(End of clause)

18-52.208-80 Contractor's Facilities (Short Form).

As prescribed in 18-8.309, insert the following clause:

CONTRACTOR'S FACILITIES (SHORT FORM) (DECEMBER 1988)

The Contractor, at its expense, shall furnish, install, operate, maintain, retain title to, and be responsible for all loss of or damage to the facilities required to furnish the service provided for under this contract. The Contractor shall be allowed access to its facilities on Government premises at suitable times and shall, at the Contractor's expense, remove the facilities and restore the premises to their original condition within a reasonable time after this contract's termination.

(End of clause)

18-52.208-81 Printing and Duplicating.

As prescribed in 18-8.870, insert the following clause:

PRINTING AND DUPLICATING (DECEMBER 1988)

(a) The Contractor shall reproduce any documentation required by this contract in accordance with the provisions of the Government Printing and Binding Regulations published by the Joint Committee on Printing, Congress of the United States.

(b) The term "printing", as used in this clause, is defined in the Government Printing and Binding Regulations and includes the processes of composition, platemaking, presswork, binding, and the end items produced by such processes and equipment.

(c) The Contractor is authorized to duplicate by offset platemaking units not requiring the use of negatives; copy-processing machines not requiring the use of negatives or metal plates; or offset lithograph presses with single unit, sheet fed, maximum sheet size 11 x 17 inches and plate image no longer than 10 3/4 x 14 1/4 inches. However, the Contractor shall not exceed 5,000 production units of any page nor 25,000 production units in the aggregate for multiple page duplication. A "production unit" is one sheet, size 8 1/2 x 11 inches (215 x 280 mm), one side only, and one color.

(d) If the Contractor has reason to believe that any reproduction required under this contract violates the regulations referred to in paragraph (a) of this clause, the Contractor shall provide the Contracting Officer with immediate notice in writing and request approval prior to accomplishment of the reproduction.

(End of clause)

18-52.208-83 Acquisition of Helium.

As prescribed in 18-8.002-76, insert the following clause:

ACQUISITION OF HELIUM (DECEMBER 1988)

(a) In accordance with Parts 1 and 2, Subchapter A, Chapter 1, Title 30, Code of Federal Regulations, helium furnished under this contract (purchase order) shall be Department of the Interior, Bureau of Mines, helium or shall be replaced by the supplier with an equivalent volume of helium purchased from the Bureau of Mines.

(b) The Contractor may procure (1) liquid helium or (2) gaseous helium of a quality not supplied by the Bureau of Mines from commercial sources if these sources are qualified by the Bureau of Mines and included in the Bureau of Mines publication, "List by Shipping Points of Private Distributors Eligible to Sell Helium to Federal Agencies." Copies of this publication may be obtained from the Bureau of Mines, Helium Operation, P.O. Box H4372, Herring Plaza, Amarillo, Texas 79101.

(c) The Contractor shall provide a copy of each contract (purchase order) for helium from commercial sources to the Contracting Officer and Bureau of Mines at the address in paragraph (b) above.

(End of clause)

18-52.209-70 Product Removal from Qualified Products List.

As prescribed in 18-9.206-71, insert the following clause:

PRODUCT REMOVAL FROM QUALIFIED PRODUCTS LIST (DECEMBER 1988)

If, during the performance of this contract, the product being furnished is removed from the Qualified Products List for any reason, the Government may terminate the contract for Default pursuant to the default clause of the contract.

(End of clause)

18-52.209-71 Limitation of Future Contracting.

As prescribed in 18-9.508-2, the contracting officer may insert a clause substantially as follows in solicitations and contracts, in compliance with FAR 9.508:

LIMITATION OF FUTURE CONTRACTING (DECEMBER 1988)

(a) The Contracting Officer has determined that this acquisition may give rise to a potential organizational conflict of interest. Accordingly, the attention of prospective offerors is invited to FAR Subpart 9.5--Organizational Conflicts of Interest.

(b) The nature of this conflict is [describe the conflict].

(c) The restrictions upon future contracting are as follows:

(1) If the Contractor, under the terms of this contract, or through the performance of tasks pursuant to this contract, is required to develop specifications or statements of work that are to be incorporated into a solicitation, the Contractor shall be ineligible to perform the work described that solicitation as a prime or first-tier subcontractor under an ensuing NASA contract. This restriction shall remain in effect for a reasonable time, as agreed to by the Contracting Officer and the Contractor, sufficient to avoid unfair competitive advantage or potential bias (this time shall in no case be less than the duration of the initial production contract). NASA shall not unilaterally require the Contractor to prepare such specifications or statements of work under this contract.

(2) To the extent that the work under this contract requires access to proprietary, business confidential, or financial data of other companies, and as long as these data remain proprietary or confidential, the Contractor shall protect these data from unauthorized use and disclosure and agrees not to use them to compete with those other companies.

(End of clause)

18-52.209-72 Composition of the Contractor.

As prescribed in 18-9.670, insert the following clause:

COMPOSITION OF THE CONTRACTOR (DECEMBER 1988)

If the Contractor is comprised of more than one legal entity, each entity shall be jointly and severally liable under this contract.

(End of clause)

18-52.210-70 Brand Name or Equal.

As prescribed in 18-10.011, insert the following provision:

BRAND NAME OR EQUAL (DECEMBER 1988)

(a) As used in this provision, "brand name" means identification of products by make and model. The term "bid" means "offer" if this is a negotiated acquisition.

(b) If items called for by this solicitation are identified in the Schedule by a "brand name or equal" description, that identification is intended to be descriptive, not restrictive, and is to indicate the quality and characteristics of products that will be satisfactory. Bids offering "equal" products, including products of the brand name manufacturer other than the one described by brand name, will be considered for award if the products are clearly identified in the bids and are determined by the Government to meet fully the salient characteristics requirements referenced in the solicitation.

(c) Unless the offeror clearly indicates in the bid that it is offering an "equal" product, the bid shall be considered as offering a brand-name product referenced in the solicitation.

(d) (1) If the offeror proposes to furnish an "equal" product, the brand name, if any, of the product to be furnished shall be inserted in the space provided in the solicitation, or that product shall be otherwise clearly identified in the bid. The evaluation of bids and the determination as to equality of the product offered shall be the responsibility of the Government and will be based on information furnished by the offeror or identified in its bid, as well as on other information reasonably available to the contracting activity.

(2) CAUTION TO OFFERORS: The contracting office is not responsible for locating or securing any information not identified in the bid and reasonably available to the contracting office. Accordingly, to ensure that sufficient information is available, the offeror must furnish as a part of its bid all descriptive material (such as cuts, illustrations, drawings, or other information) necessary for the contracting office to (i) determine whether the product offered meets the salient characteristics requirements of the solicitation and (ii) establish exactly what the offeror proposes to furnish and what the Government would be binding itself to purchase by making an award. The information furnished may include specific references to information previously furnished or to information otherwise available to the contracting office.

(3) If the offeror proposes to modify a product so as to make it conform to the requirements of the solicitation, it shall (i) include in the bid a clear description of the proposed modifications and (ii) clearly mark any descriptive material to show them.

(4) If this is a sealed bid acquisition, modifications proposed after bid opening to make a product conform to a brand name product referenced in the solicitation will not be considered.

(End of provision)

18-52.210-71 Descriptive Literature for Used Material.

As prescribed by 18-10.011-70(b), insert the following provision:

DESCRIPTIVE LITERATURE FOR USED MATERIAL (DECEMBER 1988)

(a) Offerors' attention is directed to the provision in this solicitation entitled "Listing of Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property." If an offeror intends to furnish any items falling within any of the classes of property addressed by that provision, the following information must be submitted as an attachment to the offer:

[Insert the information needed to determine that items can reasonably be expected to conform to the solicitation requirements.]

(b) Offerors are specifically advised that if this procurement is being conducted in accordance with procedures for sealed bidding (see FAR Part 14), a failure to provide the information identified in paragraph (a) above will render the offeror nonresponsive.

(End of provision)

18-52.210-72 Supplies and/or Services to be Furnished

As prescribed in 18-10.011-70(c), insert the following clause:

SUPPLIES AND/OR SERVICES TO BE FURNISHED (DECEMBER 1988)

The contractor shall provide all resources (except as may be expressly stated in this contract as furnished by the Government) necessary to furnish the items below in accordance with the Description/Specifications/Work Statement in Section C.

Item No.	Description	Quantity	Unit	Unit Price	Total Amt.

[Insert the item number, brief description, quantity, unit, unit price, and total dollar amount.]

(End of clause)

18-52.210-75 Packaging and Marking.

As prescribed in 18-10.011-70(d), insert the following clause:

PACKAGING AND MARKING (DECEMBER 1988)

(a) The Contractor shall pack and mark all hardware deliverable under this contract in accordance with the provisions of NASA Handbook (NHB) 6000.1, Requirements for Packaging, Handling, and Transportation, and/or MIL-STD-2073, as applicable, except as noted below:

[Insert exceptions to packing and marking requirements or "None"]

(b) The Contractor shall pack potentially hazardous items in accordance with paragraph 204 of NHB 6000.1.

(c) The Contractor shall develop packaging, handling, and transportation records, if required, from engineering and packaging data. The Contracting Officer's technical representative is the approving official of the records and special packaging data under paragraph 302 of NHB 6000.1.

(d) The Contractor's packaging specifications or procedures may be utilized if they are (i) not in conflict with cited NASA specifications and (ii) approved in writing by the Contracting Officer. In any conflict between NASA and the Contractor specifications or procedures, the NASA documents cited in this clause shall take precedence.

(e) The Contractor shall place identical requirements on all subcontracts.

(End of clause)

PACKAGING AND MARKING (ALTERNATE I)

(a) The contractor shall preserve, pack, and mark for shipment all items deliverable under this contract in accordance with good commercial practices and adequate to ensure both acceptance by common carrier and safe transportation at the most economical rate(s).

(b) The contractor's markings on shipping containers shall be clearly legible from a distance of 36 inches. The contractor may mark by stencil, rubber stamp, or lacquer over a coated gummed label.

PACKAGING AND MARKING (ALTERNATE II)

(f) The following items to be furnished under this contract are for space flight use:

[Insert items for space flight use.]

(g) All markings for space flight items shall be blue in color. All shipping containers, shipping documents, and purchasing documents for these items shall be marked "ITEMS FOR SPACE FLIGHT USE."

(h) The Contractor shall prominently display a NASA Critical Space Item Label on the exterior of all Class I, Class II, and Class III interim packages and exterior shipping containers to alert all shipping and handling personnel to the criticality of the item in accordance with paragraph 303 of NHB 6000.1.

(End of clause)

18-52.212-70 Notice of Delay.

As prescribed at 18-12.104-70(a), insert the following clause:

NOTICE OF DELAY (DECEMBER 1988)

If, because of technical difficulties, the Contractor becomes unable to complete the contract work at the time specified, notwithstanding the exercise of good faith and diligent efforts in performing of the work called for under this contract, the Contractor shall give the Contracting Officer written notice of the anticipated delay and the reasons for it. The notice and reasons shall be delivered promptly after the condition creating the anticipated delay becomes known to the Contractor but in no event less than 45 days before the completion date specified in this contract, unless otherwise permitted by the Contracting Officer. When notice is given, the Contracting Officer may extend the time specified in the Schedule for such period as is deemed advisable.

(End of clause)

18-52.212-72 Partial Shipments.

Insert the following clause as prescribed in 18-12.104-70(c).

PARTIAL SHIPMENTS
(DECEMBER 1988)

Partial shipments will not be accepted unless authorized elsewhere in this contract or by the Contracting Officer's representative at the time of delivery. The Government reserves the right to return partial shipments to the Contractor, transportation charges collect.

(End of clause)

18-52.212-73 Delivery Schedule.

As prescribed in 18-12.104-70(d), insert the following clause:

DELIVERY SCHEDULE
(DECEMBER 1988)

The contractor shall deliver the items required to be furnished by this contract as follows:

Item No.	Description	Quantity	Delivery Date	Shipping Address

[Insert the applicable item numbers, descriptions, quantities of items, delivery dates, and shipping addresses.]

(End of clause)

18-52.212-74 Period of Performance.

As prescribed in 18-12.104-70(e), insert the following clause:

PERIOD OF PERFORMANCE
(DECEMBER 1988)

The period of performance of this contract shall be [Insert period of performance dates].

(End of clause)

18-52.214-70 Caution to Offerors Furnishing Descriptive Literature.

As prescribed in 18-14.201-670(a), insert the following provision:

CAUTION TO OFFERORS FURNISHING DESCRIPTIVE LITERATURE (DECEMBER 1988)

Bidders are cautioned against furnishing as a part of their bids descriptive literature that includes language reserving to the bidder the right to deviate from the requirements of the invitation for bids. Statements that "Data are subject to change without notice," "Prices subject to change without notice," or words having a similar effect are examples of such reservation. The Government will reject as nonresponsive any bid that incorporates literature containing such language or any bid that must be evaluated by using literature containing such language. Bidders should clearly label any submissions of descriptive literature not intended to form a part of a bid as such in order to preclude any need for the Government to interpret the bidder's intent in submitting descriptive literature. [See FAR 14.202-5.]

(End of provision)

18-52.214-71 Grouping for Aggregate Award.

As prescribed in 18-14.201-670(b), insert the following provision:

GROUPING FOR AGGREGATE AWARD (MARCH 1989)

(a) The Government will evaluate offers and make award on a basis of the aggregate offers for items

[Insert the item numbers and/or descriptions].

(b) If this is an invitation for bids, the Government will reject as nonresponsive a bid that is not made on all of the items specified in paragraph (a).

(End of provision)

18-52.214-72 Full Quantities.

As prescribed in 18-14.201-670(c), insert the following provision:

FULL QUANTITIES (DECEMBER 1988)

The Government will not consider an offer for quantities of items less than those specified. If this is an invitation for bids, the Government will reject as nonresponsive a bid that is not made on full quantities.

(End of provision)

18-52.215-70 Increases in Estimated Costs.

As prescribed in 18-15.613-72, insert the following provision:

INCREASES IN ESTIMATED COSTS (DECEMBER 1988)

Once the apparent successful offeror has been selected, that offeror may not unilaterally increase the estimated costs submitted with its proposal except for --

(a) Increases resulting from updating or correcting the certified cost or pricing data submitted with the proposal;

(b) Costs resulting from the Government's directed correction of identified weaknesses in the proposal that must be corrected as a condition of contracting; or

(c) Minor changes in the requirements of the solicitation. In such cases, the Government will consider only those increases arising from requirements actually affected by the changes (irrespective of whether the changes result in an increase or decrease in the requirements or are initiated by the Government or the offeror) and then only to the extent the increases are identified and justified.

(End of provision)

18-52.215-71 Adjustment for Subcontract Price Redetermination.

As prescribed in 18-15.870-2, insert the following clause:

ADJUSTMENT FOR SUBCONTRACT PRICE REDETERMINATION (DECEMBER 1988)

Promptly upon the establishment of firm prices for each of the subcontracts listed below, the Contractor shall submit, in such form and detail as the Contracting Officer may reasonably require, a statement of costs incurred in the performance of that subcontract and the firm price established for it. Thereupon, notwithstanding any other provisions of this contract as amended by this modification, the Contractor and the Contracting Officer shall negotiate an equitable adjustment in the total amount paid or to be paid under the contract to reflect the subcontract price revision. The equitable adjustment shall be evidenced by a modification to this contract.

[list subcontracts]

(End of clause)

18-52.215-72 Restriction on Use and Disclosure of Proposal/Quotation Information (Data).

As prescribed in 18-15.407-70(a), insert the following provision:

RESTRICTION ON USE AND DISCLOSURE OF PROPOSAL/QUOTATION INFORMATION (DATA) (DECEMBER 1984)

It is NASA policy to use information contained in proposals and quotations for evaluation purposes only. While this policy does not require that the proposal or quotation bear a restrictive notice, offerors or quoters should, in order to maximize protection of trade secrets or other information that is commercial or financial and confidential or privileged, place the following notice on the title page of the proposal or quotation and specify the information subject to the notice by inserting appropriate identification, such as page numbers, in the notice. In any event, information (data) contained in proposals and quotations will be protected to the extent permitted by law, but NASA assumes no liability for use and disclosure of information not made subject to the notice.

RESTRICTION ON USE AND DISCLOSURE OF PROPOSAL AND QUOTATION INFORMATION (DATA)

The information (data) contained in __________ [Insert page numbers or other identification] of this proposal or quotation constitutes a trade secret and/or information that is commercial or financial and confidential or privileged. It is furnished to the Government in confidence with the understanding that it will not, without permission of the offeror, be used or disclosed for other than evaluation purposes; provided, however, that in the event a contract is awarded on the basis of this proposal or quotation the Government shall have the right to use and disclose this information (data) to the extent provided in the contract. This restriction does not limit the Government's right to use or disclose this information (data) if obtained from another source without restriction.

(End of provision)

18-52.215-73 Late Submissions, Modifications, and Withdrawals of Proposals. (AO and SBIR Programs).

As prescribed in 18-15.407-70(b), use the following provision in lieu of the provision at FAR 52.215-10 in Announcement of Opportunity and SBIR solicitations:

LATE SUBMISSIONS, MODIFICATIONS, AND WITHDRAWALS OF PROPOSALS (AO AND SBIR PROGRAMS) (DECEMBER 1988)

(a) The Government reserves the right to consider proposals or modifications, including any revision of an otherwise successful proposal, received after the date indicated for receipt of proposals if it would be in the Government's best interest to do so.

(b) Proposals may be withdrawn by written notice or telegram (including mailgram) received at any time before award. Proposals may be withdrawn in person by an offeror or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the proposal before award.

(End of provision)

18-52.215-74 Alternate Proposals.

As prescribed in 18-15.407-70(c), insert the following provision:

ALTERNATE PROPOSALS (DECEMBER 1988)

(a) The offeror may submit an alternate proposal to accomplish any aspect of the effort or product contemplated by the solicitation in a manner that might create a beneficial improvement to the Government. The Government will consider an alternate proposal if it is accompanied by a basic proposal prepared in accordance with instructions contained in and responsive to this solicitation. The alternate proposal must be complete by itself and comply with the proposal instructions of this solicitation. The alternate proposal will be evaluated in accordance with the evaluation factors of this solicitation.

(b) In the event the Government receives an alternate proposal that, if accepted, would result in a contract with terms varying in one or more material respects from those contained in this solicitation (i.e., change in scope), and the Government concludes that implementation of the approach contained in the alternate proposal would be in its best interests, the Government may modify its solicitation in a manner appropriate to incorporate the change in scope but not reveal the substance of the alternate proposal, and thereafter give all offerors (and others if the facts warrant) an opportunity to respond to the modified solicitation.

(End of provision)

18-52.215-75 Expenses Related to Offeror Submissions.

As prescribed in 18-15.407-70(d), insert the following provision:

EXPENSES RELATED TO OFFEROR SUBMISSIONS (DECEMBER 1988)

This solicitation neither commits the Government to pay any cost incurred in the submission of the offer or in making necessary studies or designs for preparing the offer, nor to contract for services or supplies. Any costs incurred in anticipation of a contract shall be at the offeror's own risk.

(End of provision)

18-52.215-76 False statements.

As prescribed in 18-15.407-70(e), insert the following provision:

FALSE STATEMENTS (DECEMBER 1988)

PROPOSALS MUST SET FORTH FULL, ACCURATE, AND COMPLETE INFORMATION AS REQUIRED BY THE SOLICITATION (INCLUDING ATTACHMENTS). THE PENALTY FOR MAKING FALSE STATEMENTS IN PROPOSALS IS PRESCRIBED IN 18 U.S.C. 1001.

(End of provision)

18-52.215-77 Preproposal/Pre-bid Conference.

As prescribed in 18-15.407-70(f), insert the following provision:

PREPROPOSAL/PRE-BID CONFERENCE (DECEMBER 1988)

(a) A preproposal/pre-bid conference will be held as indicated below:

Date:
Time:
Location:
Other Information, as applicable:

[Insert the applicable conference information.]

(b) Attendance at the preproposal/pre-bid conference is recommended; however, attendance is neither required nor a prerequisite for proposal/bid submission and will not be considered in the evaluation.

(End of provision)

18-52.215-78 Make or Buy Program Requirements.

As prescribed in 18-15.708-70(a), insert the following provision:

MAKE OR BUY PROGRAM REQUIREMENTS (DECEMBER 1988)

The offeror shall submit a Make-or-Buy Program in accordance with the requirements of Federal Acquisition Regulation (FAR) 15.705. The offeror shall include the following supporting documentation with its proposal:

(a) A description of each major item or work effort (see FAR 15.704).

(b) Categorization of each major item or work effort as "must make," "must buy," or "can either make or buy."

(c) For each item or work effort categorized as "can either make or buy," a proposal either to "make" or "buy."

(d) Reasons for (i) categorizing items and work effort as "must make" or "must buy" and (ii) proposing to "make" or "buy" those categorized as "can either make or buy." The reasons must include the consideration given to the applicable evaluation factors described in the solicitation and be in sufficient detail to permit the Contracting Officer to evaluate the categorization and proposal.

(e) Designation of the offeror's plant or division proposed to make each item or perform each work effort and a statement as to whether the existing or proposed new facility is in or near a labor surplus area.

(f) Identification of proposed subcontractors, if known, and their location and size status.

(g) Any recommendations to defer make-or-buy decisions when categorization of some items or work efforts is impracticable at the time of submission.

(End of provision)

18-52.215-79 Price Adjustment for "Make-or-Buy" Changes.

As prescribed in 18-15.708-70, insert the following clause:

PRICE ADJUSTMENT FOR "MAKE-OR-BUY" CHANGES (DECEMBER 1988)

The following make-or-buy items are subject to the provisions of paragraph (d) of the clause at FAR 52.215-21, Change or Additions to Make-or-Buy Program, of this contract:

ITEM DESCRIPTION	MAKE-OR-BUY DETERMINATION

(End of clause)

18-52.215-80 Disposal of Unsuccessful Proposals.

As prescribed in 18-15.407-70(g), insert the following provision:

DISPOSAL OF UNSUCCESSFUL PROPOSALS (DECEMBER 1988)

After contract award, one or more copies of each unsuccessful proposal will be retained in the Government's official contract file, and all other copies will be destroyed.

(End of provision)

18-52.216-72 Evaluation of Offers Subject to Economic Price Adjustment.

As prescribed in 18-16.203-4(f), insert the following provision:

EVALUATION OF OFFERS SUBJECT TO ECONOMIC PRICE ADJUSTMENT (DECEMBER 1988)

Notwithstanding the requirements of the ___________* clause, offers shall be evaluated on the basis of quoted prices without an amount for economic price adjustment being added. Offers that provide for a ceiling lower than that stipulated, if a ceiling is stipulated in the clause, shall also be evaluated on this basis, but any resultant award will be made at the lower ceiling. Offers that provide for adjustment that may exceed the maximum adjustment stipulated, if a maximum is stipulated in the clause, or that limit or delete the downward adjustment, if a downward adjustment is stipulated in the clause, shall be rejected as nonresponsive.

*Insert the title of the clause providing for economic price adjustment.

(End of provision)

18-52.216-73 Estimated Cost and Cost Sharing.

As prescribed in 18-16.307-70(a), insert the following clause.

ESTIMATED COST AND COST SHARING (DECEMBER 1988)

(a) It is estimated that the total cost of performing the work under this contract will be $ ________ [insert total estimated cost].

(b) For performing of the work under this contract, the Contractor shall be reimbursed for not more than ________ percent of the costs of performance determined to be allowable under the Allowable Cost and Payment clause. The remaining ________ percent or more of the costs of performance so determined shall constitute the Contractor's share, for which it will not be reimbursed by the Government.

(c) For purposes of the Limitation of Cost clause, the total estimated cost to the Government is hereby established as $ ________ [insert estimated Government share]; this amount is the maximum cost for which the Government is obligated.

(d) The Contractor shall maintain records of all contract costs claimed by the Contractor as constituting part of its share. Those records shall be subject to audit by the Government. Costs contributed by the Contractor shall not be charged to the Government under any other grant or contract (including allocation to other grants or contracts as part of an independent research and development program).

(End of clause)

18-52.216-74 Estimated Cost and Fixed Fee.

As prescribed in 18-16.307-70(b) insert the following clause:

ESTIMATED COST AND FIXED FEE
(DECEMBER 1988)

The estimated cost of this contract is _______ exclusive of the fixed fee of _______ . The total of estimated cost and fixed fee is _______ .

(End of clause)

18-52.216-75 Payment of Fixed Fee.

As prescribed in 18-16.307-70(c), insert the following clause:

PAYMENT OF FIXED FEE
(DECEMBER 1988)

The fixed fee shall be paid in monthly installments based upon the percentage of completion of work as determined by the Contracting Officer.

(End of clause)

18-52.216-76 Award Fee.

As prescribed in 18-16.405, insert the following clause:

AWARD FEE
(DECEMBER 1988)

(a) The Government shall pay the Contractor for performing this contract such base fee, if any, and such additional fee as may be awarded, as provided in the Schedule.

(b) Payment of the base fee and award fee shall be made as specified in the Schedule; provided, that after payment of 85 percent of the base fee and potential award fee, the Contracting Officer may withhold further payment of the base fee and award fee until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interest. This reserve shall not exceed 15 percent of the total base fee and potential award fee or $100,000, whichever is less.

(c) Award fee determinations made by the Government under this contract are not subject to the Disputes clause.

(End of clause)

18-52.216-78 Firm Fixed Price.

As prescribed in 18-16.202-70, insert the following clause:

FIRM FIXED PRICE
(DECEMBER 1988)

The total firm fixed price of this contract is $_______ [Insert the appropriate amount].

(End of clause)

18-52.216-79 Level-of-Effort (Fixed-Price).

As prescribed in 18-16.207-70(a), insert the following clause:

LEVEL-OF-EFFORT (FIXED-PRICE) (DECEMBER 1988)

(a) In accomplishing the work required under this contract, the Contractor shall provide _____ direct labor hours as a minimum. These hours shall be expended as follows:

Labor Category	Minimum Direct Labor Hours

[Insert the labor categories and associated direct labor hours.]

(b) "Direct labor hours" are those productive hours expended by Contractor personnel performing work under this contract that are charged as direct labor under the Contractor's established accounting policy and procedures. The term does not include sick leave, vacation, or any type of administrative leave but does include direct labor hours provided under level-of-effort subcontracts.

(c) If, at the end of the contract term, the Contractor has not provided the minimum direct labor hours specified above, the total fixed price of this contract shall be reduced as follows: [Insert either a formula based upon the number of hours expended in the separate labor categories or the product of the hours of unexpended labor multiplied by one specified rate.]

(d) The Contractor may, at its own option, furnish more than the stated direct labor hours; however, the Contractor shall not be entitled to any increase in the fixed price of the contract for exceeding the stated direct labor hours.

(e) Within thirty (30) days after the end of the performance period and before submission of an invoice for final payment, the Contractor shall submit to the Contracting Officer a statement certifying the actual total number of direct labor hours expended under this contract. The Contractor further agrees to make available to the Contracting Officer such records as the Contracting Officer may reasonably require to determine that the minimum number of labor hours specified in this clause were expended in the performance of the work.

(End of clause)

18-52.216-80 Task Ordering Procedure.

As prescribed in 18-16.307-70(d), insert the following clause:

TASK ORDERING PROCEDURE (DECEMBER 1988)

Performance under this contract is subject to the following ordering procedure.

(a) Within the direct labor hours specified in the Level-of-Effort clause of this contract, the Contractor shall incur costs under this contract in the performance of task orders and task order modifications issued in accordance with this ordering procedure. No other costs are authorized without the express written consent of the Contracting Officer.

(b) From time to time during the term of this contract, the Contracting Officer will issue task orders in writing to the Contractor, providing specific information on work to be performed within the scope of the contract. Each task order will indicate the objectives or results desired.

(c) Task orders will contain, as a minimum, the following information:

(1) Signature of the Contracting Officer.
(2) Contract number, order number, and date.
(3) Description of work.
(4) Maximum number of contract labor hours and other resources authorized.
(5) Documentation requirements.
(6) Delivery/performance schedule.
(7) Quality assurance standards, as appropriate.
(8) Travel authorized.
(9) Any other necessary information.

(d) The Contracting Officer may modify task orders in the same manner as they are issued.

(e) The Contractor shall submit within ten calendar days after receipt of each task order a one-time Contractor task plan. The task plan is the Contractor's overall approach for completing the task order and shall include the following:

(1) Discussion of the technical approach for performing the work.
(2) Estimated date of commencement of work, and any changes proposed to the schedule of performance.
(3) Direct labor hours, both straight time and overtime (if authorized), on a monthly basis by applicable labor category, and the total direct labor hours, including those in (5) below, estimated to complete the task.
(4) The travel and material estimates.
(5) An estimate for subcontractors and consultants, including the direct labor hours, if applicable.
(6) Estimated computer use time required, if applicable.
(7) Other pertinent information, such as indirect costs and inter-divisional transfers.
(8) The total estimated cost and fee, where appropriate, for completion of the task order.

(f) The Contracting Officer shall approve in writing the Contractor's task plan and any plan revisions either (1) as being in accordance with the task order or (2) with identified variations constituting a modification to the task order. All approvals shall be prior to commencement of work.

(g) In the event that there is a conflict between the requirements of the task order and the

Contractor's task plan, the task order shall prevail.

(End of clause)

ALTERNATE I
(DECEMBER 1988)

As prescribed in 18-16.307-70(e), delete paragraphs (e), (f), and (g) from the basic clause.

18-52.216-81 Estimated Cost.

As prescribed in 18-16.307-70(f), insert the following clause:

ESTIMATED COST
(DECEMBER 1988)

The total estimated cost for complete performance of this contract is $_______ [Insert total estimated cost of the contract]. See FAR clause 52.216-11, Cost Contract--No Fee, of this contract.

(End of clause)

18-52.216-82 Level-of-Effort (Cost).

As prescribed in 18-16.307-70(g), insert the following clause:

LEVEL-OF-EFFORT (COST)
(DECEMBER 1988)

(a) During the term of the contract, the Contractor is obligated to provide not less than ______% [Insert minimum percentage of direct labor hours] nor more than _______% [Insert maximum percentage of direct labor hours] of the following direct labor hours:

Labor Category	Direct Labor Hours

[Insert applicable labor categories, direct labor hours in each labor category, and total direct labor hours.]

(b) "Direct labor hours" are those productive hours expended by Contractor personnel performing work under this contract that are charged as direct labor under the Contractor's established accounting policy and procedures. The term does not include sick leave, vacation leave, or any type of administrative leave but does include direct labor hours provided under level-of-effort subcontracts.

(c) Once the maximum number of direct labor hours is reached or the contract term has ended, the Contractor's requirements under the contract are fulfilled, even though the specified work may not have been completed. The Contractor is not authorized to exceed the maximum of the direct labor hours specified in paragraph (a) unless a bilateral contract modification is executed. Any estimated cost and fee(s) adjustments for any additional direct labor hours shall be based solely upon the quantity of additional hours being added to the maximum number of direct labor hours specified in this clause.

(d) The fee(s), if any, are based upon the furnishing of the specified minimum level-of-effort. If the Contractor provides less than the specified minimum level-of-effort prior to expiration of the contract term, and the Government has not invoked its rights under the Termination clause of this contract to adjust the contract for such reduced effort, the Contracting Officer will unilaterally make an equitable downward adjustment to the contract fee. The downward adjustment in fee will be based upon the difference between the minimum direct labor hours specified under this clause and the amount of direct labor hours provided by the Contractor. At the Contracting Officer's discretion, the adjustment may take into consideration efficiencies in the Contractor's performance, including productivity improvements, if any, which contributed to the lesser number of direct labor hours being provided.

(End of clause)

18-52.216-83 Fixed Price Incentive.

As prescribed in 18-16.405(b), insert the following clause:

FIXED PRICE INCENTIVE
(DECEMBER 1988)

The target cost of this contract is $______. The target profit of this contract is $______. The target price (target cost plus target profit) of this contract is $______.

(End of clause)

18-52.216-84 Estimated Cost and Incentive Fee.

As prescribed in 18-16.405-70(c), insert the following clause:

ESTIMATED COST AND INCENTIVE FEE
(DECEMBER 1988)

The target cost of this contract is $______. The target fee of this contract is $______. The total target cost and target fee as contemplated by the Incentive Fee clause of this contract is $______ [Insert appropriate target cost and fee amounts].

(End of clause)

18-52.216-85 Estimated Cost and Award Fee.

As prescribed in 18-16.405-70(d), insert the following clause:

ESTIMATED COST AND AWARD FEE
(DECEMBER 1988)

The estimated cost of this contract is $______. The base fee is $______, and the maximum available award fee is $______. Total cost, base fee, and maximum award fee is $______. [Insert appropriate cost and fee amounts.]

(End of clause)

18-52.216-86 Settlement of Letter Contract.

As prescribed in 18-16.603-470, insert the following clause:

SETTLEMENT OF LETTER CONTRACT
(DECEMBER 1988)

(a) This contract constitutes the definitive contract contemplated by issuance of letter contract ______, dated ______, and supersedes the letter contract and its modification no.(s) ______. [Insert letter contract number, date, and modification numbers.]

(b) The costs and fees, or prices, established in this definitive contract represent full and complete settlement of letter contract ______ and modification no.(s) ______.

(c) If this definitive contract contains terms that may be construed to be inconsistent with the letter contract, the parties agree that this definitive contract states the complete agreement and intent of the parties, and any rights and duties created by the letter contract that are inconsistent with this definitive contract are hereby waived, cancelled, and released.

(End of clause)

18-52.216-87 Submission of Vouchers for Payment.

As prescribed in 18-16.307-70(h), insert the following clause:

SUBMISSION OF VOUCHERS FOR PAYMENT
(DECEMBER 1988)

(a) Public vouchers for payment of costs shall include a reference to this contract [Insert the contract number] and be forwarded to:

> [Insert the mailing address for submission of cost vouchers.]

This is the designated billing office for cost vouchers for purposes of the Prompt Payment clause of this contract.

(b) The Contractor shall prepare vouchers as follows:

(1) One original Standard Form (SF) 1034, SF 1035, or equivalent Contractor's attachment.

(2) Seven copies of SF 1034A, SF 1035A, or equivalent Contractor's attachment.

(3) The Contractor shall mark SF 1034A copies 1, 2, 3, 4, and such other copies as may be directed by the Contracting Officer by insertion in the memorandum block the names and addresses as follows:

(i) Copy 1 NASA Contracting Officer;

(ii) Copy 2 Auditor;

(iii) Copy 3 Contractor;

(iv) Copy 4 Contract administration office; and

(v) Copy 5 Project management office.

(c) Public vouchers for payment of fee shall be prepared similarly and be forwarded to:

[Insert the mailing address for submission of fee vouchers.]

This is the designated billing office for fee vouchers for purposes of the Prompt Payment clause of this contract.

(d) In the event that amounts are withheld from payment in accordance with provisions of this contract, a separate voucher for the amount withheld will be required before payment for that amount may be made.

(End of clause)

18-52.217-70 Property Administration and Reporting.

As prescribed in 18-17.7002-4 insert the following clause:

PROPERTY ADMINISTRATION AND REPORTING (DECEMBER 1988)

> All property acquired for, and reimbursed by, NASA or transferred by NASA for use under this NASA-Defense Purchase Request shall be controlled and accounted for in accordance with the Military Department's normal procedures. All excess items, however, costing $500 or more and in condition Code 7 or better (GSA Condition Codes) shall be reported to the NASA originating office for possible reutilization before disposition.

(End of clause)

18-52.219-72 SIC Code and Small Business Size Standard.

As prescribed in 18-19.170, insert the following provision:

SIC CODE AND SMALL BUSINESS SIZE STANDARD (DECEMBER 1988)

> (a) The standard industrial classification (SIC) code(s) for this procurement is (are) ______ [Insert SIC code].
>
> (b) The small business size standard is ______________ [Insert the number of employees, or dollar value in average annual receipts for the last three (3) fiscal years].

(End of provision)

18-52.219-73 Small Business and Small Disadvantaged Business Subcontracting Plan.

As prescribed in 18-19.708-70, insert the following provision:

SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN (DECEMBER 1988)

> (a) This provision is not applicable to small business concerns.
>
> (b) The contract expected to result from this solicitation will contain FAR clause 52.219-9, "Small Business and Small Disadvantaged Business Subcontracting Plan." The apparently successful offeror must submit the complete plan within ___ [Insert number of days] calendar days after request by the Contracting Officer.

(End of provision)

ALTERNATE I (DECEMBER 1988)

As prescribed in 18-19.708-70, delete the last sentence of paragraph (b) of the basic clause and substitute the following:

> Each offeror must submit the complete plan with its initial proposal.

18-52.222-70 Facilities Nondiscrimination Notice.

As prescribed in 18-22.7002(a), insert the following clause:

FACILITIES NONDISCRIMINATION NOTICE (APRIL 1988)

> If the annual rental under this lease, combined with the annual rental under all other NASA leases of space in the building in which the space covered by this lease is located, exceeds $10,000, the lessor agrees to comply with the requirements of the Facilities Nondiscrimination clause of this contract.

(End of clause)

18-52.222-71 Facilities Nondiscrimination.

As prescribed in 18-22.7002(b), insert the following clause:

FACILITIES NONDISCRIMINATION (DECEMBER 1988)

> (a) As used in this clause, "facility" means store, shop,

(The next page is 52-45.)

restaurant, cafeteria, rest room, or any other public facility in the building in which the space covered by this lease is located.

(b) The lessor shall not discriminate against anyone because of race, color, religion, or national origin in furnishing, or by refusing to furnish, the use of any facility, including any services, privileges, accommodations, and activities provided by that facility. Nothing in this clause requires the furnishing to the general public of the use of any facility customarily furnished by the lessor solely to tenants and their employees, customers, patients, clients, guests, and invitees.

(c) Any noncompliance by the lessor with this clause shall constitute a material breach of this lease. In the event of noncompliance, the Government may take appropriate action to enforce compliance, may terminate this lease, or may pursue any other remedies provided by law. In the event of termination, the lessor is liable for all excess costs of the Government in acquiring substitute space, including the cost of moving to that space. Substitute space shall be obtained in as close proximity to the lessor's building as is feasible, and moving costs shall be limited to the actual expenses incurred.

(d) Whenever an agreement is to be entered into or a concession is to be permitted to operate, the lessor shall include or require the inclusion of paragraphs (a), (b), and (c) above in every such agreement or concession arrangement under which any person other than the lessor operates or has the right to operate any facility. Nothing in this clause, however, requires the lessor to include or require the inclusion of those paragraphs in any previously existing agreement or concession arrangement, or in one under which a party other than the lessor has the unilateral right to renew or extend the agreement or arrangement, until the expiration of the existing agreement or arrangement and the unilateral right to renew or extend.

(e) The lessor shall take, as expeditiously as possible, any lawful actions NASA may direct to enforce the intent of this clause, including termination of the agreement or concession and institution of court action.

(End of clause)

18-52.223-70 Safety and health.

As prescribed in 18-23.7004, insert the following clause:

SAFETY AND HEALTH (DECEMBER 1988)

(a) The Contractor shall take all reasonable safety and health measures in performing under this contract and shall, to the extent set forth in the contract Schedule, submit a safety plan and a health plan for the Contracting Officer's approval. The Contractor shall comply with all Federal, State, and local laws applicable to safety and health in effect on the date of this contract and with the safety and health standards, specifications, reporting requirements, and provisions set forth in the contract Schedule.

(b) The Contractor shall take or cause to be taken any other safety and health measures the Contracting Officer may reasonably direct. To the extent that the Contractor may be entitled to an equitable adjustment for those measures under the terms and conditions of this contract, the equitable adjustment shall be determined pursuant to the procedures of the changes clause of this contract; provided, that no adjustment shall be made under this Safety and Health clause for any change for which an equitable adjustment is expressly provided under any other provision of the contract.

(c) The Contractor shall immediately notify and promptly report to the Contracting Officer or a designee any accident, incident, or exposure resulting in fatality, lost-time occupational injury, occupational disease, contamination of property beyond any stated acceptable limits set forth in the contract Schedule, or property loss of $25,000 or more arising out of work performed under this contract. The Contractor is not required to include in any report an expression of opinion as to the fault or negligence of any employee. Service contractors (excluding construction contracts) shall provide quarterly reports specifying lost-time frequency rate, number of lost-time injuries, exposure, and accident/incident dollar losses as specified in the contract Schedule. The Contractor shall investigate all work-related incidents or accidents to the extent necessary to determine their causes and furnish the Contracting Officer a report, in such form as the Contracting Officer may require, of the investigative findings and proposed or completed corrective actions.

(d) (1) The Contracting Officer may notify the Contractor in writing of any noncompliance with this clause and specify corrective actions to be taken. The Contractor shall promptly take and report any necessary corrective action.

(2) If the Contractor fails or refuses to institute prompt corrective action in accordance with subparagraph (1) above, the Contracting Officer may invoke the stop-work order clause in this contract or any other remedy available to the Government in the event of such failure or refusal.

(e) The Contractor (or subcontractor or supplier) shall insert the substance of this clause, including this paragraph (e) and any applicable Schedule provisions, with appropriate changes of designations of the parties, in subcontracts of every tier that (1) amount to $1,000,000 or more (unless the Contracting Officer makes a written determination that this is not required), (2) require construction, repair, or alteration in excess of $25,000, or (3) regardless of dollar amount, involve the use of hazardous materials or operations.

(f) Authorized Government representatives of the Contracting Officer shall have access to and the right to examine the sites or areas where work under this contract is being performed in order to determine the adequacy of the Contractor's safety and health measures under this clause.

(g) As a part of the Contractor's safety plan (and health plan, when applicable) and to the extent required by the Schedule, the Contractor shall furnish a list of all hazardous operations to be performed, including operations indicated in paragraphs (a) and (b) above, and a list of other major or key operations required or planned in the performance of the contract, even though not deemed hazardous by the Contractor. NASA and the Contractor shall jointly decide which operations are to be considered hazardous, with NASA as the final authority. Before hazardous operations commence, the Contractor shall submit for NASA concurrence either or both of the following, as required by the contract Schedule or by the Contracting Officer:

(1) Written hazardous operating procedures for all hazardous operations.

(2) A certification program for personnel involved in hazardous operations.

(End of clause)

18-52.223-71 Frequency Authorization.

As prescribed in 18-23.7101, insert the following clause:

FREQUENCY AUTHORIZATION
(DECEMBER 1988)

(a) Authorization of radio frequencies required in support of this contract shall be obtained by the Contractor or subcontractor in need thereof.

(b) For any experimental, developmental, or operational equipment for which the appropriate frequency allocation has not been made, the Contractor or subcontractor shall provide the technical operating characteristics of the proposed electromagnetic radiating device to the Contracting Officer during the initial planning, experimental, or developmental phase of contractual performance. Procedures furnished by the Contracting Officer shall be followed in obtaining radio frequency authorization.

(c) This clause, including this paragraph (c), shall be included in all subcontracts that call for developing, producing, testing, or operating a device for which a radio frequency authorization is required.

(End of clause)

18-52.223-72 Potentially Hazardous Items.

As prescribed in 18-23.303-70, insert the following clause:

POTENTIALLY HAZARDOUS ITEMS
(DECEMBER 1988)

(a) The Contractor shall furnish complete design information and drawings showing all details of construction, including materials, for the following items or components:

[Insert the potentially hazardous items or components.]

These items or components are designated as potentially hazardous to employees and subcontractors who are to perform any work in connection with installing them in combination with other equipment, or in testing them either alone or in combination with other items or components, or in handling them. The contractor shall inform such employees or subcontractors of the potentially hazardous nature of these items or components before requesting or directing the performance of work.

(b) This requirement for delivery of data supersedes any terms of this contract permitting withholding of data.

(c) The Contractor shall include this clause, including this paragraph (c), in each subcontract at any tier under this contract that calls for the manufacture or handling of the items or components designated according to paragraph (a) above as potentially hazardous.

(End of clause)

18-52.223-73 Safety and Health Plan.

As prescribed in 18-23.7004(e), insert the following provision:

SAFETY AND HEALTH PLAN (DECEMBER 1988)

The offeror shall submit a detailed safety and health plan, as part of the offeror's proposal, showing how the Contractor intends to protect the life, health, and well being of NASA and contractor employees as well as property and equipment. This plan, as approved by the Contracting Officer, will be included in any resulting contract.

(End of provision)

ALTERNATE I (DECEMBER 1988)

As prescribed by 18-23.7004(f), delete the first sentence of the basic clause and substitute the following:

> The apparently successful offeror shall submit a detailed safety and health plan after notification of selection but before contract award, showing how the contractor intends to protect the life, health, and well being of NASA and contractor employees as well as property and equipment.

18-52.225-71 Nondomestic Construction Materials.

As prescribed in 18-25.205-70, insert the following clause:

NONDOMESTIC CONSTRUCTION MATERIALS (DECEMBER 1988)

The requirements of the Buy American Act--Construction Materials clause do not apply to the following construction materials or components:

[List articles of materials and supplies.]

(End of clause)

18-52.225-72 Offer in English Language and U.S. Dollars.

As prescribed in 18-25.407, insert the following provision:

OFFER IN ENGLISH LANGUAGE AND U.S. DOLLARS (DECEMBER 1988)

Offers submitted in response to this solicitation shall be in the English language and in U.S. dollars.

(End of provision)

18-52.225-73 Duty-Free Entry Supplies.

As prescribed in 18-25.605-70, insert the following clause:

DUTY-FREE ENTRY SUPPLIES (DECEMBER 1988)

In accordance with the Duty-Free Entry clause of this contract, the following supplies will be given duty-free entry:

[Insert the supplies that are to be accorded duty-free entry.]

(End of clause)

18-52.227-70 New Technology.

As prescribed in 18-27.373(b), insert the following clause:

NEW TECHNOLOGY
(APRIL 1988)

(a) **Definitions.**

"Administrator," as used in this clause, means the Administrator of the National Aeronautics and Space Administration (NASA) or duly authorized representative.

"Contract," as used in this clause, means any actual or proposed contract, agreement, understanding, or other arrangement, and includes any assignment, substitution of parties, or subcontract executed or entered into thereunder.

"Made," as used in this clause, means conception or first actual reduction to practice; provided, that in the case of a variety of plant, the date of determination (as defined in Section 41(d) of the Plant Variety Protection Act, 7 U.S.C. 2401(d) must also occur during the period of contract performance.

"Nonprofit organization," as used in this clause, means a domestic university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)), or any domestic nonprofit scientific or educational organization qualified under a State nonprofit organization statute.

"Practical application," as used in this clause, means to manufacture, in the case of a composition or product; to practice, in the case of a process or method; or to operate, in case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

"Reportable item," as used in this clause, means any invention, discovery, improvement, or innovation of the Contractor, whether or not the same is or may be patentable or otherwise protectible under Title 35 of the United States Code, conceived or first actually reduced to practice in the performance of any work under this contract or in the performance of any work that is reimbursable under any clause in this contract providing for reimbursement of costs incurred prior to the effective date of this contract.

"Small business firm," as used in this clause, means a domestic small business concern as defined at 15 U.S.C. 632 and implementing regulations of the Administrator of the Small Business Administration. (For the purpose of this definition, the size standard contained in 13 CFR 121.3-8 for small business contractors and in 13 CFR 121.3-12 for small business subcontractors will be used.)

"Subject invention," as used in this clause, means any reportable item which is or may be patentable or otherwise protectible under Title 35 of the United States Code, or any novel variety of plant that is or may be protectible under the Plant Variety Protection Act (7 U.S.C. 2321, et seq.).

(b) **Allocation of principal rights.**

(1) ***Presumption of title.***

(i) Any reportable item that the Administrator considers to be a subject invention shall be presumed to have been made in the manner specified in paragraph (1) or (2) of Section 305(a) of the National Aeronautics and Space Act of 1958 (43 U.S.C. 2457(a)) (hereinafter called "the Act"), and the above presumption shall be conclusive unless at the time of reporting the reportable item the Contractor submits to the Contracting Officer a written statement, containing supporting details, demonstrating that the reportable item was not made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act.

(ii) Regardless of whether title to a given subject invention would otherwise be subject to an advance waiver or is the subject of a petition for waiver, the Contractor may nevertheless file the statement described in subdivision (i) above. The Administrator will review the information furnished by the Contractor in any such statement and any other available information relating to the circumstances surrounding the making of the subject invention and will notify the Contractor whether the Administrator has determined that the subject invention was made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act.

(2) ***Property rights in subject inventions.*** Each subject invention for which the presumption of subdivision (1)(i) above is conclusive or for which there has been a determination that it was made in the manner specified in paragraph (1) or (2) of Section 305(a) of the Act shall be the exclusive property of the United States as represented by NASA unless the Administrator waives all or any part of the rights of the United States, as provided in subparagraph (3) below.

(3) ***Waiver of rights.***

(i) Section 305(f) of the Act provides for the promulgation of regulations by which the Administrator may waive the rights of the United States with respect to any invention or class of inventions made or that may be made under conditions specified in paragraph (1) or (2) of Section 305(a) of the Act. The promulgated NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1, have adopted the Presidential Memorandum on Government Patent Policy of February 18, 1983, as a guide in acting on petitions (requests) for such waiver of rights.

(ii) As provided in 14 CFR 1245, Subpart 1, Contractors may petition, either prior to execution of the contract or within 30 days after execution of the contract, for advance waiver of rights to any or all of the inventions that may be made under a contract. If such a petition is not submitted, or if after submission it is denied, the Contractor (or an employee inventor of the Contractor) may petition for waiver of rights to an identified subject invention within eight months of first disclosure of invention in accordance with subparagraph (e)(2) below, or within such longer period as may be authorized in accordance with 14 CFR 1245.105.

(c) Minimum rights reserved by the Government.

(1) With respect to each subject invention for which a waiver of rights is applicable in accordance with 14 CFR Section 1245, Subpart 1, the Government reserves --

(i) An irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the United States or any foreign government in accordance with any treaty or agreement with the United States; and

(ii) Such other rights as stated in 14 CFR 1245.107.

(2) Nothing contained in this paragraph (c) shall be considered to grant to the Government any rights with respect to any invention other than a subject invention.

(d) **Minimum rights to the Contractor.**

(1) The Contractor is hereby granted a revocable, nonexclusive, royalty-free license in each patent application filed in any country on a subject invention and any resulting patent in which the Government acquires title, unless the Contractor fails to disclose the subject invention within the times specified in subparagraph (e)(2) below. The Contractor's license extends to its domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a party and includes the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license is transferable only with the approval of the Administrator except when transferred to the successor of that part of the Contractor's business to which the invention pertains.

(2) The Contractor's domestic license may be revoked or modified by the Administrator to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with 14 CFR 1245, Subpart 2, Licensing of NASA Inventions. This license will not be revoked in that field of use or the geographical areas in which the Contractor has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Administrator to the extent the Contractor, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, the Contractor will be provided a written notice of the Administrator's intention to revoke or modify the license, and the Contractor will be allowed 30 days (or such other time as may be authorized by the Administrator for good cause shown by the Contractor) after the notice to show cause why the license should not be revoked or modified. The Contractor has the right to appeal, in accordance with 14 CFR 1245.211, any decision concerning the revocation or modification of its license.

(e) **Invention identification, disclosures, and reports.**

(1) The Contractor shall establish and maintain active and effective procedures to assure that reportable items are promptly

identified and disclosed to Contractor personnel responsible for the administration of this New Technology clause within six months of conception and/or first actual reduction to practice, whichever occurs first in the performance of work under this contract. These procedures shall include the maintenance of laboratory notebooks or equivalent records and other records as are reasonably necessary to document the conception and/or the first actual reduction to practice of the reportable items, and records that show that the procedures for identifying and disclosing reportable items are followed. Upon request, the Contractor shall furnish the Contracting Officer a description of such procedures for evaluation and for determination as to their effectiveness.

(2) The Contractor will disclose each reportable item to the Contracting Officer within two months after the inventor discloses it in writing to Contractor personnel responsible for the administration of this New Technology clause or, if earlier, within six months after the Contractor becomes aware that a reportable item has been made, but in any event for subject inventions before any on sale, public use, or publication of such invention known to the Contractor. The disclosure to the agency shall be in the form of a written report and shall identify the contract under which the reportable item was made and the inventor(s) or innovator(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and physical, chemical, biological, or electrical characteristics of the reportable item. The disclosure shall also identify any publication, on sale, or public use of any subject invention and whether a manuscript describing such invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to the agency, the Contractor will promptly notify the agency of the acceptance of any manuscript describing a subject invention for publication or of any on sale or public use planned by the Contractor for such invention.

(3) The Contractor shall furnish the Contracting Officer the following:

(i) Interim reports every 12 months (or such longer period as may be specified by the Contracting Officer) from the date of the contract, listing reportable items during that period, and certifying that all reportable items have been disclosed (or that there are no such inventions) and that the procedures required by subparagraph (e) (1) above have been followed.

(ii) A final report, within 3 months after completion of the contracted work, listing all reportable items or certifying that there were no such reportable items, and listing all subcontracts at any tier containing a patent rights clause or certifying that there were no such subcontracts.

(4) The Contractor agrees, upon written request of the Contracting Officer, to furnish additional technical and other information available to the Contractor as is necessary for the preparation of a patent application on a subject invention and for the prosecution of the patent application, and to execute all

papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions.

(5) The Contractor agrees, subject to paragraph 27.302(i), of the Federal Acquisition Regulation (FAR), that the Government may duplicate and disclose subject invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause.

(f) **Examination of records relating to inventions.**

(1) The Contracting Officer or any authorized representative shall, until 3 years after final payment under this contract, have the right to examine any books (including laboratory notebooks), records, and documents of the Contractor relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this contract to determine whether --

(i) Any such inventions are subject inventions;

(ii) The Contractor has established and maintained the procedures required by subparagraph (e)(1) of this clause; and

(iii) The Contractor and its inventors have complied with the procedures.

(2) If the Contracting Officer learns of an unreported Contractor invention that the Contracting Officer believes may be a subject invention, the Contractor may be required to disclose the invention to the agency for a determination of ownership rights.

(3) Any examination of records under this paragraph will be subject to appropriate conditions to protect the confidentiality of the information involved.

(g) **Withholding of payment (this paragraph does not apply to subcontracts).**

(1) Any time before final payment under this contract, the Contracting Officer may, in the Government's interest, withhold payment until a reserve not exceeding $50,000 or 5 percent of the amount of this contract, whichever is less, shall have been set aside if, in the Contracting Officer's opinion, the Contractor fails to --

(i) Establish, maintain, and follow effective procedures for identifying and disclosing reportable items pursuant to subparagraph (e)(1) above;

(ii) Disclose any reportable items pursuant to subparagraph (e)(2) above;

(iii) Deliver acceptable interim reports pursuant to subdivision (e)(3)(i) above; or

(iv) Provide the information regarding subcontracts pursuant to subparagraph (h)(4) below.

(2) Such reserve or balance shall be withheld until the Contracting Officer has determined that the Contractor has rectified whatever deficiencies exist and has delivered all reports, disclosures, and other information required by this clause.

(3) Final payment under this contract shall not be made before the Contractor delivers to the Contracting Officer all disclosures of reportable items required by subparagraph (e)(2) above, and an acceptable final report pursuant to subdivision (e)(3)(ii) above.

(4) The Contracting Officer may decrease or increase the sums withheld up to the maximum authorized above. No amount shall be withheld under this paragraph while the amount specified by this paragraph is being withheld under other provisions of the contract. The withholding of any amount or the subsequent payment thereof shall not be construed as a waiver of any Government rights.

(h) **Subcontracts.**

(1) Unless otherwise authorized or directed by the Contracting Officer, the Contractor shall --

(i) Include this clause (suitably modified to identify the parties) in any subcontract hereunder (regardless of tier) with other than a small business firm or nonprofit organization for the performance of experimental, developmental, or research work; and

(ii) Include the clause at FAR 52.227-11 (suitably modified to identify the parties) in any subcontract hereunder (regardless of tier) with a small business firm or nonprofit organization for the performance of experimental, developmental, or research work.

(2) In the event of a refusal by a prospective subcontractor to accept such a clause the Contractor --

(i) Shall promptly submit a written notice to the Contracting Officer setting forth the subcontractor's reasons for such refusal and other pertinent information that may expedite disposition of the matter; and

(ii) Shall not proceed with such subcontract without the written authorization of the Contracting Officer.

(3) In the case of subcontracts at any tier, the agency, subcontractor, and Contractor agree that the mutual obligations of the parties created by this clause constitute a contract between the subcontractor and NASA with respect to those matters covered by this clause.

(4) The Contractor shall promptly notify the Contracting Officer in writing upon the award of any subcontract at any tier containing a patent rights clause by identifying the subcontractor, the applicable patent rights clause, the work to be performed under the subcontract, and the dates of award and estimated completion. Upon request of the Contracting Officer, the Contractor shall furnish a copy of such subcontract, and, no more frequently than annually, a listing of the subcontracts that have been awarded.

(5) The subcontractor will retain all rights provided for the Contractor in the clause of subdivision (1)(i) or (1)(ii) above, whichever is included in the subcontract, and the Contractor will not, as part of the consideration for awarding the subcontract, obtain rights in the subcontractor's subject inventions.

(i) **Preference for United States industry.** Unless provided otherwise, no Contractor that receives title to any subject invention and no assignee of any such Contractor shall grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement may be waived by the Administrator upon a showing by the Contractor or assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

(End of clause)

18-52.227-71 Requests for Waiver of Rights to Inventions.

As prescribed in 18-27.373(d), insert the following provision in all solicitations that include the clause at 18-52.227-70, New Technology:

REQUESTS FOR WAIVER OF RIGHTS TO INVENTIONS (APRIL 1984)

(a) In accordance with the NASA Patent Waiver Regulations, 14 CFR Section 1245, Subpart 1, waiver of rights to any or all inventions made or that may be made under a NASA contract or subcontract with other than a small business firm or a domestic nonprofit organization may be requested at different time periods. Advance waiver of rights to any or all inventions that may be made under a contract or subcontract may be requested prior to the execution of the contract or subcontract, or within 30 days after execution by the selected contractor. In addition, waiver of rights to an identified invention made and reported under a contract or subcontract may be requested, even though a request for an advance waiver was not made or, if made, was not granted.

(b) Each request for waiver of rights shall be by petition to the Administrator and shall include an identification of the petitioner; place of business and address; if petitioner is represented by counsel, the name, address and telephone number of the counsel; the signature of the petitioner or authorized representative; and the date of signature. No specific forms need be used, but the request should contain a positive statement that waiver of rights is being requested under the NASA Patent Waiver Regulations; a clear indication of whether the request is for an advance waiver or for a waiver of rights for an individual identified invention; whether foreign rights are also requested and, if so, the countries, and a citation of the specific section or sections of the regulations under which such rights are requested; and the name, address, and telephone number of the party with whom to communicate when the request is acted upon. Requests for advance waiver of rights should, preferably, be included with the proposal, but in any event in advance of negotiations.

(c) Petitions for advance waiver, prior to contract execution, must be submitted to the Contracting Officer. All other petitions will be submitted to the Patent Representative designated in the contract.

(d) Petitions submitted with proposals selected for negotiation of a contract will be forwarded by the Contracting Officer to the installation Patent Counsel for processing and then to the Inventions and Contributions Board. The Board will consider these petitions and where the Board makes the findings to support the waiver, the Board will recommend to the Administrator that waiver be granted, and will notify the petitioner and the Contracting Officer of the Administrator's determination. The Contracting Officer will be informed by the Board whenever there is insufficient time or information or other reasons to permit a decision to be made without unduly delaying the execution of the contract. In the latter event, the petitioner will be so notified by the Contracting Officer. All other petitions will be processed by installation Patent Counsel and forwarded to the Board. The Board shall notify the petitioner of its action and if waiver is granted, the conditions, reservations, and obligations thereof will be included in the Instrument of Waiver. Whenever the Board notifies a petitioner of a recommendation adverse to, or different from, the waiver requested, the petitioner may request reconsideration under procedures set forth in the Regulations.

(End of provision)

18-52.227-72 Designation of New Technology Representative and Patent Representative.

As prescribed in 18-27.373(e), insert the following clause:

DESIGNATION OF NEW TECHNOLOGY REPRESENTATIVE AND PATENT REPRESENTATIVE (APRIL 1984)

(a) For purposes of administration of the clause of this contract entitled "New Technology" or "Patent Rights--Retention by the Contractor (Short Form)," whichever is included, the following named representatives are hereby designated by the Contracting Officer to administer such clause:

Title	Office Code	Address (including zip code)
New Technology Representative		
Patent Representative		

(b) Reports of reportable items, and disclosure of subject inventions, interim reports, final reports, utilization reports, and other reports required by the clause, as well as any correspondence with respect to such matters, should be directed to the New Technology Representative unless transmitted in response to correspondence or request from the Patent Representative. Inquires or requests regarding disposition of rights, election of rights, or related matters should be directed to the Patent Representative. This clause shall be included in any subcontract hereunder requiring a "New Technology" clause or "Patent Rights--Retention by the Contractor (Short Form)" clause, unless otherwise authorized or directed by the Contracting Officer. The respective responsibilities and authorities of the above-named representatives are set forth in

18-27.375-3 of the NASA FAR Supplement.

(End of clause)

18-52.227-73 Patent Rights Clause for Subcontracts.

As prescribed in 18-27.373(f), insert the following clause in all solicitations and contracts that include the clause at FAR 52.227-11, Patent Rights--Retention by the Contractor (Short Form):

PATENT RIGHTS CLAUSE FOR SUBCONTRACTS
(APRIL 1984)

The Contractor shall include the clause in the NASA FAR Supplement at 18-52.227-70, New Technology, suitably modified to identify the parties, in all subcontracts, regardless of tier, for experimental, developmental, research, design, or engineering work to be performed by other than a small business firm or a nonprofit organization.

(End of clause)

18-52.227-84 Patent Rights Clauses.

The contracting officer shall insert the following provision as prescribed in 18-27.373(g):

PATENT RIGHTS CLAUSES
(APRIL 1986)

This solicitation contains the patent rights clauses of FAR 52.227-11 (as modified by the NFS), NFS 18-52.227-70, and NFS 18-52.227-73. If the contract resulting from this solicitation is awarded to a small business or nonprofit organization, the clause at NFS 18-52.227-70 shall not apply. If the award is to other than a small business or nonprofit organization, the clauses at FAR 52.227-11 and NFS 18-52.227-73 shall not apply.

(End of Provision)

18-52.227-85 Invention Reporting and Rights--Foreign.

As prescribed in 18-27.373(c)(1), insert the following clause:

INVENTION REPORTING AND RIGHTS--FOREIGN
(APRIL 1986)

(a) As used in this clause, the term "invention" means any invention, discovery or improvement, and "made" means the conception or first actual demonstration that the invention is useful and operable.

(b) The Contractor shall report promptly to the Contracting Officer each invention made in the performance of work under this contract. The report of each such invention shall:

(1) Identify the inventor(s) by full name; and

(2) Include such full and complete technical information concerning the invention as is necessary to enable an understanding of the nature and operation thereof.

(c) The Contractor hereby grants to the Government of the United States of America as represented by the Administrator of the National Aeronautics and Space Administration the full right, title and interest in and to each such invention throughout the world, except for the State in which this contract is to be performed. As to such State, Contractor hereby grants to the Government of the United States of America as represented by the Administrator of the National Aeronautics and Space Administration only an irrevocable, non-transferable, nonexclusive, royalty-free license to practice each such invention by or on behalf of the United States of America or any foreign government pursuant to any treaty or agreement with the United States of America, provided that Contractor within a reasonable time files a patent application in that State for each such invention. Where Contractor does not elect to file such patent application for any such invention in that State, full right, title and interest in and to such invention in that State shall reside in the Government of the United States of America as represented by the Administrator of the National Aeronautics and Space Administration.

(d) The Contractor agrees to execute or to secure the execution of such legal instruments as may be necessary to confirm and to protect the rights granted by paragraph (c) above, including papers incident to the filing and prosecution of patent applications.

(e) Upon completion of the contract work, and prior to final payment, Contractor shall submit to the Contracting Officer a final report listing all inventions reportable under this contract or certifying that no such inventions have been made.

(f) In each subcontract, the Contractor awards under this contract where the performance of research, experimental design, engineering, or developmental work is contemplated, the Contractor shall include this clause and the name and address of the Contracting Officer.

(End of Clause)

18-52.227-86 Commercial Computer Software--Licensing.
As prescribed in 18-27.409(h), insert the following clause:

COMMERCIAL COMPUTER SOFTWARE--LICENSING (DECEMBER 1987)

(a) Any delivered commercial computer software (including documentation thereof) developed at private expense and claimed as proprietary shall be subject to the restricted rights in paragraph (d) below. Where the vendor/contractor proposes its standard commercial software license, those applicable portions thereof consistent with Federal laws, standard industry practices, the Federal Acquisition Regulations (FAR) and the NASA FAR Supplement, including the restricted rights in paragraph (d) below, are incorporated into and made a part of this purchase order/contract.

(b) Although the vendor/contractor may not propose its standard commercial software license until after this purchase order/contract has been issued, or at or after the time the computer software is delivered, such license shall nevertheless be deemed incorporated into and made a part of this purchase order/contract under the same terms and conditions as in paragraph (a) above. For purposes of receiving updates, correction notices, consultation, and similar activities on the computer software, the NASA Contracting Officer or the NASA Contractor Technical Representative/User may sign any agreement, license, or registration form or card and return it directly to the vendor/contractor; however, such signing shall not alter any of the terms and conditions of this clause.

(c) The vendor's/contractor's acceptance is expressly limited to the terms and conditions of this purchase order/contract. If the specified computer software is shipped or delivered to NASA, it shall be understood that the vendor/contractor has unconditionally accepted the terms and conditions set forth in this clause, and that such terms and conditions (including the incorporated license) constitute the entire agreement between the parties concerning rights in the computer software.

(d) The following restricted rights shall apply:

(1) The commercial computer software may not be used, reproduced, or disclosed by the Government except as provided below or otherwise expressly stated in the purchase order/contract.

(2) The commercial computer software may be --

(i) Used, or copied for use, in or with any computer owned or leased by, or on behalf of, the Government; provided, the software is not used, nor copied for use, in or with more than one computer simultaneously, unless otherwise permitted by the license incorporated under paragraphs (a) or (b) above;

(ii) Reproduced for safekeeping (archives) or backup purposes;

(iii) Modified, adapted, or combined with other computer software, provided that the modified, combined, or adapted portions of the derivative software incorporating restricted computer software shall be subject to the same restricted rights; and

(iv) Disclosed and reproduced for use by Government contractors or their subcontractors in accordance with the restricted rights in subdivisions (i), (ii), and (iii) above; provided they have the Government's permission to use the computer software and have also agreed to protect the computer software from unauthorized use and disclosure.

(3) If the incorporated vendor's/contractor's software license contains provisions or rights that are less restrictive than the restricted rights in subparagraph (d)(2) above, then the less restrictive provisions or rights shall prevail.

(4) If the computer software is published, copyrighted computer software, it is licensed to the Government, without disclosure prohibitions, with the rights in subparagraphs (d)(2) and (3) above.

(5) The computer software may be marked with any appropriate proprietary notice that is consistent with the rights in subparagraphs (d)(2), (3), and (4) above.

18-52.228-70 Aircraft Ground and Flight Risk.

As prescribed in 18-28.370, insert the following clause. The purpose of this clause is to have the Government assume risks that generally entail unusually high insurance premiums and are not covered by the contractor's contents, work-in-process, and similar insurance. Since the definitions in the clause may not cover every situation that should be covered to achieve this purpose, the clause may be modified as follows: If the contract covers helicopters, vertical take-off aircraft, lighter-than-air airships, or other nonconventional types of aircraft, the definition of "aircraft" should be modified to specify that the aircraft has reached a point of manufacture comparable to that specified in the standard definition, which is written for conventional winged aircraft. The definition of "in the open" may be modified to include "hush houses," test hangers, comparable structures, and other designated areas. In addition, clause subparagraph (d)(3) may be modified to provide for Government assumption of risk of transportation by conveyance on streets or highways if the contracting officer determines that this transportation is limited to the vicinity of the contractor's premises and is merely incident to work being performed under the contract.

AIRCRAFT GROUND AND FLIGHT RISK (DECEMBER 1988)

(a) Notwithstanding any other provisions of this contract, except as may be specifically provided in the Schedule as an exception to this clause, the Government, subject to the definitions and limitations of this clause, assumes the risk of damage to, or loss or destruction of, aircraft in the open, during operation, and in flight and agrees that the Contractor shall not be liable to the Government for any such damage, loss, or destruction.

(b) For the purposes of this clause, the following definitions apply:

(1) Unless otherwise specifically provided in the Schedule, ***"aircraft"*** includes --

(i) Aircraft (including both complete aircraft and aircraft in the course of being manufactured, disassembled, or reassembled; provided that an engine or a portion of a wing or a wing is attached to the fuselage) to be furnished to the Government under this contract (whether before or after acceptance Government acceptance); and

(ii) Aircraft (regardless of whether in a state of disassembly or reassembly) furnished by the Government to the Contractor under this contract, including all property installed in, in the process of installation in, or temporarily removed from them, unless the aircraft and property are covered by a separate bailment agreement.

(2) ***"In the open"*** means located wholly outside of buildings on the Contractor's premises, or at such other places as may be described in the Schedule as being in the open for the purposes of this clause, except that aircraft furnished by the Governmentare considered to be in the open at all times while in Contractor's possession, care, custody, or control.

(3) ***"Flight"*** includes any flight demonstration, flight test, taxi test, or other flight made in

the performance of this contract, or for the purpose of safeguarding the aircraft, or previously approved in writing by the Contracting Officer.

(i) With respect to land-based aircraft, flight commences with the taxi roll from a flight line on the Contractor's premises and continues until the aircraft has completed the taxi roll in returning to a flight line on the Contractor's premises.

(ii) With respect to seaplanes, flight commences with the launching from a ramp on the Contractor's premises and continues until the aircraft has completed its landing run upon return and is beached at a ramp on the Contractor's premises.

(iii) With respect to helicopters, flight commences upon engagement of the rotors for the purpose of take-off from the Contractor's premises and continues until the aircraft has returned to the ground on the Contractor's premises and the rotors are disengaged.

(iv) With respect to vertical take-off aircraft, flight commences upon disengagement from any launching platform or device on the Contractor's premises and continues until the aircraft has been re-engaged to any launching platform or device on the Contractor's premises; provided, however, that aircraft off the Contractor's premises shall be deemed to be in flight when on the ground or water only during periods of reasonable duration following emergency landing, other landings made in the performance of this contract, or landings approved by the Contracting Officer in writing.

(4) *"Contractor's premises"* means those premises designated as such in the Schedule or in writing by the Contracting Officer, and any other place to which aircraft are moved for the purpose of safeguarding the aircraft.

(5) *"Operation"* means operations and tests, other than on any production line, of aircraft, not in flight, whether or not the aircraft is in the open or in motion during them and includes operations and tests of equipment, accessories, and power plants only when installed in aircraft.

(6) *"Flight crew members"* means the pilot, copilot, and, unless otherwise specifically provided in the Schedule, the flight engineer and navigator when required or assigned to their respective crew positions to conduct any flight on behalf of the Contractor.

(7) *"Contractor's managerial personnel"* means the Contractor's directors, officers, and any managers, superintendents, or equivalent representatives who have supervision or direction of all or substantially all of the Contractor's business or of the Contractor's operations at any one plant or separate location at which this contract is performed or a separate and complete major industrial operation in connection with the performance of this contract.

(c) (1) The Government's assumption of risk under this clause, as to aircraft in the open, shall continue in effect unless terminated pursuant to subparagraph (3) below. If the Contracting Officer finds that an aircraft is in the open under unreasonable conditions, the Contracting Officer shall notify the Contractor in writing of the conditions found to be unreasonable and require the

Contractor to correct them within a reasonable time.

(2) Upon receipt of this notice, the Contractor shall act promptly to correct these conditions, regardless of whether it agrees that they are in fact unreasonable. To the extent that the Contracting Officer may later determine that they were not in fact unreasonable, an equitable adjustment shall be made in the contract price to compensate the Contractor for any additional costs incurred in correcting them, and the contract shall be modified in writing accordingly.

(3) (i) If the Contracting Officer finds that the Contractor has failed to act promptly to correct unreasonable conditions or has failed to correct them within a reasonable time, the Contracting Officer may by written notice terminate the Government's assumption of risk under this clause for any aircraft which is in the open under those conditions. This termination shall be effective at 12:01 A.M. on the 15th day following the day of receipt by the Contractor of the notice.

(ii) If the Contracting Officer later determines that the Contractor acted promptly to correct the conditions or that the time taken by the Contractor was not in fact unreasonable, an equitable adjustment shall, notwithstanding paragraph (g) below, be made to compensate the Contractor for any additional costs incurred as a result of the termination, and the contract shall be modified in writing accordingly.

(4) If the Government's assumption of risk under this clause is terminated in accordance with subparagraph (3) above, the risk of loss with respect to Government-furnished property shall be determined in accordance with the Government property clause of this contract, if any, until the Government's assumption of risk is reinstated in accordance with subparagraph (5) below.

(5) (i) When unreasonable conditions have been corrected, the Contractor shall promptly notify the Government. The Government may or may not elect to reassume the risks and relieve the Contractor of liabilities as provided in this clause, and the Contracting Officer shall notify the Contractor of the Government's election.

(ii) If, after correction of the conditions, the Government elects to reassume the risks and relieve the Contractor of liabilities, the Contractor shall be entitled to an equitable adjustment for any costs of insurance extending from the end of the third working day after the Contractor notifies the Government of the correction until the Government notifies the Contractor of that election.

(iii) If the Government elects not to reassume the risks and the conditions have in fact been corrected, the Contractor shall be entitled to an equitable adjustment for any costs of insurance extending after the third working day referred to in subdivision (ii) above.

(d) The Government's assumption of risk shall not extend to damage to or loss or destruction of aircraft --

(1) Resulting from failure of the Contractor, due to willful misconduct or lack of good faith of any of the Contractor's managerial personnel, to maintain and

administer a program for protecting and preserving aircraft in the open and during operation, in accordance with sound industrial practice;

(2) Sustained during flight if the flight crew members conducting the flight have not been approved in writing by the Contracting Officer;

(3) While in the course of transportation by rail or by conveyance on public streets, highways, or waterways, except for Government-furnished property;

(4) To the extent that the damage, loss, or destruction is in fact covered by insurance;

(5) Consisting of wear and tear, deterioration (including rust and corrosion), freezing, or mechanical, structural, or electrical breakdown or failure, unless this damage is the result of other loss, damage, or destruction covered by this clause (except that, in the case of Government-furnished property, if the damage consists of reasonable wear and tear or deterioration or results from inherent vice in such property, this exclusion shall not apply); or

(6) Sustained while the aircraft is being worked upon and directly resulting from the work, including but not limited to any repairing, adjusting, servicing, or maintenance operation, unless the damage, loss, or destruction is of a type that would be covered by insurance that would customarily have been maintained by the Contractor at the time of the damage, loss, or destruction, but for the Government's assumption of risk under this clause.

(e) (1) With the exception of damage to or loss or destruction of aircraft in flight, the Government's assumption of risk under this clause shall not extend to the first $1,000 of loss or damage resulting from each event separately occurring. The Contractor assumes the risk of and shall be responsible for the first $1,000 of loss of or damage to aircraft in the open or during operation resulting from each event separately occurring, except for reasonable wear and tear and except to the extent the loss or damage is caused by negligence of Government personnel.

(2) If the Government elects to require that the aircraft be replaced or restored by the Contractor to the condition in which it was immediately prior to the damage, the equitable adjustment in the price authorized by paragraph (i) below shall not include the dollar amount of the risk assumed by the Contractor under this paragraph (e). If the Government does not elect repair or replacement, the Contractor agrees to credit the contract price or pay the Government $1,000 (or the amount of the loss if smaller) as directed by the Contracting Officer.

(f) No subcontractor may be relieved from liability for damage to or loss or destruction of aircraft while in its possession or control, except to the extent that the subcontract, with the Contracting Officer's prior written approval, provides for relief of the subcontractor from that liability. In the absence of such approval, the subcontract shall require the return of the aircraft in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of this contract. If a subcontractor has not been relieved from liability and any damage, loss, or destruction occurs, the Contractor shall enforce the liability of the subcontractor for that damage to or loss or destruction of the aircraft for the benefit of the Government.

(g) The Contractor warrants that the contract price does not and will not include, except as this clause may otherwise authorize, any charge or contingency reserve for insurance (including self-insurance funds or reserves) covering any damage to or loss or destruction of aircraft while in the open, during operation, or in flight, the risk of which has been assumed by the Government under this clause, whether or not such assumption may be terminated as to aircraft in the open.

(h) (1) In the event of damage to, or loss or destruction of, aircraft in the open, during operation, or in flight, the Contractor shall take all reasonable steps to protect the aircraft from further damage, separate damaged and undamaged aircraft, and put all aircraft in the best possible order. Further, except in cases covered by paragraph (e) above, the Contractor should furnish to the Contracting Officer a statement of --

(i) The damaged, lost, or destroyed aircraft;

(ii) The time and origin of the damage, loss, or destruction;

(iii) All known interests in commingled property of which aircraft are a part; and

(iv) Any insurance covering any part of the interest in the commingled property.

(2) Except in cases covered by paragraph (e) above, an equitable adjustment shall be made in the amount due under this contract for expenditures made by the Contractor in performing its obligations under this paragraph (h), and this contract shall be modified in writing accordingly.

(i) (1) If, before delivery and acceptance by the Government, any aircraft is damaged, lost, or destroyed and the Government has under this clause assumed the risk of that damage, loss, or destruction, the Government shall either (i) require that the aircraft be replaced or restored by the Contractor to the condition in which it was immediately prior to the damage or (ii) terminate this contract with respect to that aircraft.

(2) If the Government requires that the aircraft be replaced or restored, an equitable adjustment shall be made in the amount due under this contract and in the time required for its performance, and the contract shall be modified in writing accordingly.

(3) If, in the alternative, this contract is terminated under this paragraph (i) with respect to the aircraft, and under this clause the Government has assumed the risk of the damage, loss, or destruction, the Contractor shall be paid the contract price for the aircraft (or, if applicable, any work to be performed on the aircraft) less any amounts the Contracting Officer determines (i) that it would have cost the Contractor to complete the aircraft (or any work to be performed on it), together with any anticipated profit on the uncompleted work and (ii) to be the value, if any, of the damaged aircraft or any remaining portion of it retained

by the Contractor. The Contracting Officer shall have the right to prescribe the manner of disposition of the damaged, lost, or destroyed aircraft or any remaining parts of it, and, if the Contractor incurs additional costs as a result of such disposition, a further equitable adjustment shall be made in the amount due to the Contractor.

(j) (1) If the Contractor is at any time reimbursed or compensated by any third person for any damage, loss, or destruction of any aircraft, the risk of which has been assumed by the Government under this clause and for which the Contractor has been compensated by the Government, it shall equitably reimburse the Government.

(2) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any such damage, loss, or destruction and, upon the request of the Contracting Officer, shall at the Government's expense furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment or subrogation in favor of the Government) in obtaining recovery.

(End of clause)

18-52.228-71 Aircraft Flight Risks.

(a) As prescribed in 18-28.311-270, insert the following clause:

AIRCRAFT FLIGHT RISKS (DECEMBER 1988)

(a) Notwithstanding any other provision of this contract (particularly paragraph (g) of the Government Property (Cost-Reimbursement, Time-and-Materials, or Labor-Hour Contracts) clause and paragraph (c) of the Insurance--Liability to Third Persons clause), the Contractor shall not (1) be relieved of liability for damage to, or loss or destruction of, aircraft sustained during flight or (2) be reimbursed for liabilities to third persons for loss of or damage to property or for death or bodily injury caused by aircraft during flight, unless the flight crew members have previously been approved in writing by the Contracting Officer.

(b) For the purposes of this clause --

(1) Unless otherwise specifically provided in the Schedule, *"aircraft"* includes any aircraft, whether furnished by the Contractor under this contract (either before or after Government acceptance) or furnished by the Government to the Contractor under this contract, including all Government property placed or installed or attached to the aircraft, unless the aircraft and property are covered by a separate bailment agreement.

(2) *"Flight"* includes any flight demonstration, flight test, taxi test, or other flight made in the performance of this contract, or for the purpose of safeguarding the aircraft, or previously approved in writing by the Contracting Officer.

(i) With respect to land-based aircraft, flight commences with the taxi roll from a flight line and continues until the aircraft has completed the taxi roll to a flight line.

(ii) With respect to sea-planes, flight commences with the launching from a ramp and continues until the aircraft has completed its landing run and is beached at a ramp.

(iii) With respect to helicopters, flight commences upon engagement of the rotors for the purpose of take-off and continues until the aircraft has returned to the ground and rotors are disengaged.

(iv) With respect to vertical take-off aircraft, flight commences upon disengagement from any launching platform or device and continues until the aircraft has been re-engaged to any launching platform or device.

(3) ***"Flight crew members"*** means the pilot, copilot, and, unless otherwise specifically provided in the Schedule, the flight engineer and navigator when required or assigned to their respective crew positions to conduct any flight on behalf of the Contractor.

(c) (1) If any aircraft is damaged, lost, or destroyed during flight and the amount of the damage, loss, or destruction exceeds $100,000 or 20 percent of the estimated cost, exclusive of any fee, of this contract, whichever is less, and if the Contractor is not liable for the damage, loss, or destruction under the Government Property (Cost-Reimbursement, Time-and-Materials, or Labor-Hour Contracts) clause of this contract or under paragraph (a) above, an equitable adjustment for any resulting repair, restoration, or replacement required under this contract shall be made (i) in the estimated cost, the delivery schedule, or both and (ii) in the amount of any fee to be paid to the Contractor, and the contract shall be modified in writing accordingly.

(2) In determining the amount of adjustment in the fee that is equitable, any fault of the Contractor, its employees, or any subcontractor that materially contributed to the damage, loss, or destruction shall be taken into consideration.

(End of clause)

18-52.228-72 Interparty Waiver of Liability During STS Operations.

As prescribed in 18-28.371, insert the following clause:

INTERPARTY WAIVER
OF LIABILITY DURING
STS OPERATIONS
(DECEMBER 1988)

(a) The Contractor undertakes the obligations of, agrees to be bound by, and shall receive the protection and benefits of a NASA contractor under the no-fault, no-subrogation interparty waiver of liability provision with users for Space Shuttle services, to the extent provided for and reprinted in paragraph (d) below.

(b) This interparty waiver of liability shall not apply to damage caused by (1) NASA to the Contractor's employees or property or (2) the contractor to NASA's employees or property.

(c) This clause, including this paragraph (c), shall be included in all subcontracts under this contract under which work is to be performed in support of STS operations.

(d) The applicable definitions and the no-fault, no-subrogation inter-party waiver of liability provision contained in NASA agreements with users for Space Shuttle services provide in relevant part as follows:

1. **General.**

a. (Paragraph a. of the Shuttle Launch Agreement has been intentionally omitted since it is not relevant.)

b. For purpose of this (Shuttle Launch) Agreement, the following definitions shall be applicable:

(1) *"Liability"* shall include payments made pursuant to United States' treaty, any judgment by a court of competent jurisdiction, administrative and litigation costs, and, after consultation with the User, settlement payments.

(2) *"Damage"* shall mean bodily injury to or death of any person, damage to, or loss of any property, and loss of revenue or profits or other direct, indirect, or consequential damages arising therefrom.

2. (Paragraph 2 of the Shuttle Launch Agreement has been intentionally omitted since it is not relevant.)

3. **Damage to Persons or Property Involved in STS Operations.**

a. For purposes of this Paragraph 3., the following definitions shall be applicable:

(1) *"STS Operations"* shall mean:

(a) All Space Transportation System activity;

(b) All Payload activity:

(c) All tangible personal property (including ground support, test, training and simulation equipment) related to (a) and (b) above;

(d) Research, design, development, test, manufacture, assembly, integration, transportation, or use of any materials related to (a), (b) or (c) above.

(e) Performance of any services related to (a) through (d) above.

(2) *"Protected STS Operations"* shall mean a period of time during which STS Operations are being performed as follows:

(a) Beginning with the signature of an Agreement or Arrangement with NASA for Space Transportation System services and (i) when any employee, Payload or property arrives at a United States Government Installation, or (ii) during transportation of such to the installation by a United States Government conveyance, or (iii) at ingress of such into an Orbiter, for the purpose of fulfilling such Agreement or Arrangement, whichever occurs first.

(b) Ending with regard to any employee when the employee departs (i) a United States Government Installation, or (ii) the Orbiter if it lands at other than such Installation, or (iii) a United States Government conveyance which transports the employee from such Installation or Orbiter, whichever occurs last.

(c) Ending with regard to a Payload or

property, not Jettisoned or Deployed, under the same conditions as set forth in Subparagraph 3.a.(2)(b) above.

(d) Ending with whichever occurs last with regard to a Deployed or Jettisoned payload or property (i) after such impacts the earth; or (ii) if retrieved by the Orbiter, under the same conditions set forth in Subparagraph 3.a.(2)(b) above.

b. NASA and the User (the parties) will respectively utilize their property and employees in STS Operations in close proximity to one another and to others. Furthermore, the parties recognize that all participants in STS Operations are engaged in the common goal of meaningful exploration, exploitation and uses of outer space. In furtherance of this goal, the parties hereto agree to a no-fault, no-subrogation, inter-party waiver of liability pursuant to which each party agrees not to bring a claim against or sue the other party or other users and agrees to absorb the financial and any other consequences for Damage it incurs to its own property and employees as a result of participation in STS Operations during Protected STS Operations, irrespective of whether such Damage is caused by NASA, the User, or other users participating in STS Operations, and regardless of whether such Damage arises through negligence or otherwise. Thus, the parties, by absorbing the consequences of damage to their property and employees without recourse against each other or other users participating in STS Operations during Protected STS Operations, jointly contribute to the common goal of meaningful exploration of outer space.

c. The parties agree that this common goal will also be advanced through extension of the inter-party waiver of liability to other participants in STS operations. Accordingly, the parties agree to extend the waiver as set forth in Subparagraph 3.b. above to contractors and subcontractors at every tier of the parties and other users, as third party beneficiaries, whether or not such contractors or subcontractors causing damage bring property or employees to a United States Government Installation or retain title to or other interest in property provided by them to be used, or otherwise involved, in STS Operations. Specifically, the parties intend to protect these contractors and subcontractors from claims, including "products liability" claims, which might otherwise be pursued by the parties, or the contractors or subcontractors of the parties, or other users or the contractors or subcontractors of other users. Moreover, it is the intent of the parties that each will take all necessary and reasonable steps in accordance with Subparagraph 3.e. below to foreclose claims for Damage by any participant in STS

Operations during Protected STS Operations, under the same conditions and to the same extent as set forth in Subparagraph 3.b. above, except for claims between the User and its contractors or subcontractors and claims between the United States Government and its contractors and subcontractors.

d. The parties intend that the inter-party waiver of liability set forth in Subparagraphs 3.b. and 3.c. above be broadly construed to achieve the intended objectives.

e. NASA will require all Space Transportation system users entering into Launch and Associated Services Agreements with NASA after December 1, 1982, to agree to the interparty waiver of liability as set forth in Subparagraphs 3.b. and 3.c. above. The User, and each other user, will require the following to agree to the waiver of liability set forth in Subparagraph 3.c. above: (i) all persons and entities to whom it assigns all or part of its right to Launch and Associated Services; (ii) any person or entity to whom it has sold or leased or otherwise agreed to provide all or any portion of its Payload or Payload services prior to the completion of NASA's launch services for a particular Payload; (iii) all its prime contractors; and (iv) all its subcontractors who will have persons or property involved in STS Operations during Protected STS Operations. NASA will require all the following to agree to the waiver of liability set forth in Subparagraph 3.c. above: (i) all its prime contractors; and (ii) all its subcontractors who will have persons or property involved in STS operations during Protected STS Operations. Furthermore, NASA has required all STS users entering into Launch and Associated Services Agreements prior to December 1, 1982, to agree to a more limited waiver of liability, a copy of which is available from NASA upon request. Failure of any party to obtain a waiver agreement required above shall not affect such party's right to the protections otherwise provided by this Paragraph 3.

(End of clause)

18-52.228-73 Bid Bond.

As prescribed in 18-28.101-70, insert the following provision:

BID BOND
(OCTOBER 1988)

(a) Each bidder shall submit with its bid a bid bond (Standard Form 24) with good and sufficient surety or sureties acceptable to the Government, or other security as provided in Federal Acquisition Regulation clause 52.228-1, in the amount of twenty percent (20%) of the bid price, or $3 million, whichever is the lower amount.

(b) Bid bonds shall be dated the same date as the bid or earlier.

(End of provision)

18-52.228-74 Payment and Performance Bonds.

As prescribed in 18-28.102-70, insert the following provision:

PAYMENT AND PERFORMANCE BONDS
(DECEMBER 1988)

Unless the resulting contract is for $25,000 or less, the successful bidder will be required to furnish payment and performance bonds to the Contracting Officer as follows:

(a) Performance Bonds: (Standard Form 25)

(1) The penal amount of performance bonds shall be 100 percent of the original contract price.

(2) The Government may require additional performance bond protection when a contract price is increased. The increase in protection shall generally equal 100 percent of the increase in contract price. The Government may secure additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.

(b) Payment Bonds: (Standard Form 25-A)

(1) The penal amount of payment bonds shall equal --

(i) 50 percent of the contract price if the contract price is not more than $1 million;

(ii) 40 percent of the contract price if the contract price is more than $1 million but not more than $5 million; or

(iii) $2.5 million if the contract price is more than $5 million.

(2) If the original contract price is $5 million or less, the Government may require additional protection if the contract price is increased. The penal amount of the total protection as revised shall meet the requirement of subparagraph (1) immediately above.

(3) The government may secure additional protection by directing the Contractor to increase the penal sum of the existing bond or to obtain an additional bond.

(c) The Contractor shall furnish all bonds, including any necessary reinsurance agreements, to the Contracting Officer before starting work. Performance and payment bonds shall be dated the same date as the contract award date; or, in the case of any additional bond protection required, the same date as the contract modification date.

(d) Surety companies acceptable to the Government are identified by the Department of Treasury and listed in the Federal Register.

(End of provision)

18-52.228-75 Minimum Insurance Coverage.

As prescribed in 18-28.372, insert the following clause:

MINIMUM INSURANCE COVERAGE
(OCTOBER 1988)

The Contractor shall obtain and maintain insurance coverage as follows for the performance of this contract:

(a) Worker's compensation and employer's liability insurance as required by applicable Federal and state workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with the Contractor's commercial operations that it would not be practical. The employer's liability coverage shall be at least $100,000, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers.

(b) Comprehensive general (bodily injury) liability insurance of at least $500,000 per occurrence.

(c) Motor vehicle liability insurance written on the comprehensive form of policy which provides for bodily injury and property damage liability covering the operation of all motor vehicles used in connection with performing the contract. Policies covering motor vehicles operated in the United States shall provide coverage of at least $200,000 per person and $500,000 per occurrence for bodily injury liability and $20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

(d) Comprehensive general and motor vehicle liability policies shall contain a provision worded as follows:

"The insurance company waives any right of subrogation against the United States of America which may arise by reason of any payment under the policy."

(e) When aircraft are used in connection with performing the contract, aircraft public and passenger liability insurance of at least $200,000 per person and $500,000 per occurrence for bodily injury, other than passenger liability, and $200,000 per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least $200,000 multiplied by the number of seats or passengers, whichever is greater.

(End of clause)

18-52.228-76 Cross-waiver of liability for Space Station activities.

As prescribed in 18-28.373, insert the following clause:

CROSS-WAIVER OF LIABILITY FOR SPACE STATION ACTIVITIES
(FEBRUARY 1989)

(a) The objective of this clause is to establish a cross-waiver of liability in the interest of encouraging participation in the exploration, exploitation, and use of outer space through the Space Station. This cross-waiver of liability should be broadly construed to achieve this objective.

(b) For purposes of this clause:

(1) The term "the Contractor" means the person or entity who is a party to this contract, other than the United States Government and NASA.

(2) The term "damage" means:

(i) bodily injury to, or other impairment of health of, or death of, any person;

(ii) damage to, loss of, or loss of use of, any property;

(iii) loss of revenue or profits; or

(iv) other direct, indirect or consequential damage.

(3) The term "launch vehicle" means an object (or any part thereof) intended for launch, launched from Earth, or returning to Earth which carries payloads or persons, or both.

(4) The term "Partner State" means the Governments of Belgium, Canada, Denmark, France, Italy, the Federal Republic of Germany, Japan, Netherlands, Norway, Spain, and the United Kingdom of Great Britain and Northern Ireland. It includes a Cooperating Agency of a Partner State and the National Space Development Agency of Japan. (The currently designated Cooperating Agencies are the Ministry of State for Science and Technology of Canada, the European Space Agency and the Science and Technology Agency of Japan.)

(5) The term "payload" means all property to be flown or used on or in a launch vehicle or the Space Station.

(6) The term "Protected Space Operations" means all launch vehicle activities, Space Station activities, and payload activities on Earth, in outer space, or in transit between Earth and outer space related to Space Station. It includes, but is not limited to:

(i) research, design, development, test, manufacture, assembly, integration, operation, or use of launch or transfer vehicles (for example, the Orbital Maneuvering Vehicle), the Space Station, or a payload, as well as related support equipment and facilities and services; and

(ii) all activities related to ground support, test, training, simulation, or guidance and control equipment and related facilities or services.

"Protected Space Operations" also includes all activities related to evolution of the Space Station as provided for in the Space Station Intergovernmental Agreement signed on September 29, 1988. "Protected Space Operations" excludes activities on Earth which are conducted on return from the Space Station to develop further a payload's product or process for use other than for Space Station related activities.

(7) The term "related entity" means:

(i) a contractor or subcontractor of a Partner State, of the United States Government or of the Contractor, at any tier;

(ii) a user or customer of a Partner State or of the United States Government, at any tier; or

(iii) a contractor or subcontractor of a user or customer of a Partner State or of the United States Government, at any tier.

The terms "contractors" and "subcontractors" include suppliers of any kind.

(8) The term "Space Station" means all the elements listed in the Annex to the Space Station Intergovernmental Agreement signed on September 29, 1988, including any capability added to Space Station through evolution as provided in that Agreement.

(c) The United States Government shall require (1) each Partner State; (2) each related entity of a Partner State; and (3) except as provided for in paragraph (h)(1) below, each related entity of the United States Government; to agree, by contract or otherwise, to waive all claims, based on damage arising out of Protected Space Operations, against (1) the Contractor; (2) the Contractor's contractors or subcontractors at any tier; and (3) the employees of the Contractor or the employees of the Contractor's contractors or subcontractors at any tier.

(d) In consideration for the cross-waiver set forth in paragraph (c) above, the Contractor agrees to a cross-waiver of liability pursuant to which it waives all claims, based on damage arising out of Protected Space Operations, against (1) each Partner State; (2) each related entity of a Partner State; (3) except as provided for in paragraph (h)(1) below, each related entity of the United States Government; and (4) except as provided for in paragraph (h)(1) below, the employees of any of the entities identified in paragraph (d)(1) through (3) above.

(e) In addition, the Contractor agrees to extend the cross-waiver of liability as set forth in paragraph (d) above to its own related entities by requiring them, by contract or otherwise, to agree to waive all claims, based on damage arising out of Protected Space Operations, against the entities or persons identified in paragraphs (d)(1) through (d)(4), above, except as provided for in paragraph (h)(1) below.

(f) This cross-waiver in paragraphs (c), (d), and (e) above shall apply only if the person, entity, or property causing the damage is involved in Protected Space Operations and the person, entity, or property damaged is damaged by virtue of its involvement in Protected Space Operations. The cross-waiver in paragraphs (c), (d), and (e) above applies to any claims for damage, whatever the legal basis for such claims, including but not limited to delict and tort (including negligence of every degree and kind) and contract.

(g) For avoidance of doubt, this cross-waiver of liability includes a cross-waiver of liability arising from the Convention on International Liability for Damage Caused by Space Objects where the person, entity, or property causing the damage is involved in Protected Space Operations and the person, entity, or property damaged is damaged by virtue of its involvement in Protected Space Operations.

(h) Notwithstanding the other provisions of this clause, this cross-waiver of liability shall not be applicable to:

(1) claims between (i) the United States Government and the Contractor or between the United States Government and the Contractor's contractors or subcontractors at any tier; (ii)

between the Contractor and its related entities; or (iii) between the Contractor's related entities;

(2) claims made by a natural person, his/her estate, survivors, or subrogees for injury or death of such natural person;

(3) claims for damage caused by willful misconduct; and

(4) intellectual property claims.

(i) Nothing in this clause shall be construed to create the basis for a claim or suit where none would otherwise exist.

(j) This clause, including this paragraph (j), shall be included in all subcontracts hereunder, appropriately modified to reflect the relationship of the parties, where the work is to be performed in support of Protected Space Operations.

(End of clause)

18-52.228-77 Reimbursement for War-Hazard Losses.

As prescribed in 18-28.309, insert the following clause:

REIMBURSEMENT FOR WAR-HAZARD LOSSES (DECEMBER 1988)

(a) The Contractor's costs for assuming liability for employee protection against war-hazard risks pursuant to paragraph (b) of the Worker's Compensation and War-Hazard Insurance Overseas clause shall be an allowable cost under this contract, subject to the following:

(1) The Contractor shall submit proof-of-loss files to support payment or denial of each claim.

(2) As soon as practicable, but no later than one year after the expiration or termination of this contract, unless the Contracting Officer extends the time, the Contractor shall convert each claim which has not been finally settled into a suitable arrangement under which the claim can be extinguished by the Contractor with a lump-sum payment. Subject to approval by the Contracting Officer, the Contractor shall then obtain necessary release documents and settle the claim by lump-sum arrangement, taking into account any payments previously made.

(3) As to any potential claim that is known to, or reasonably should be within the knowledge of, the Contractor at the time of final settlement under this contract, the Contractor shall, at that time, present to the Government a full report and evaluation, indicating as to each potential claim that a reasonable investigation of the circumstances has been made and giving the results of the investigation, an evaluation of the merits, and an estimate of the amount involved should the potential claim mature into a valid obligation.

(4) The cost of insurance against a liability reimbursable under this clause shall not be an allowable cost or otherwise recoverable under this contract.

(b) The Government may require the Contractor to assign to the Government in the manner, at the times, and to the extent directed by the Contracting Officer all right, title, and interest of the Contractor to any refund, rebate, or recapture arising out of any claim settlement. The Government may handle such assigned entitlements in any manner it deems appropriate and may recover any benefits related to claim settlements.

(c) The Contractor shall, as soon as practicable after an occurrence that appears to give rise to a claim under this portion of the contract, (1) perform any investigations that may be appropriate and (2) promptly notify the Contracting Officer in writing of any additional amount estimated to be necessary to be obligated on account of that claim. In addition, the Contractor shall give the Government or its representatives immediate written notice of any suit or action filed whose cost or expense may be reimbursable to the Contractor under this clause. The Contractor shall to render full assistance to the Government in connection with any third-party suit or claim relating to this clause or its subject matter that the Government elects to prosecute or defend in its own behalf.

(End of clause)

18-52.232-75 Security for Advance Payments.

As prescribed in 18-32.412, insert the following clause:

SECURITY FOR ADVANCE PAYMENTS (MARCH 1989)

During the period of time that advance payments may be made under this contract and so long as they remain unliquidated, the Contractor shall not mortgage, pledge, or otherwise encumber, or permit to be encumbered, any of the Contractor's assets now owned or hereafter acquired, or permit any preexisting mortgages, liens, or other encumbrances to remain on or attach to any assets of the Contractor that are allocated to the performance of this contract and with respect to which the Government has a lien under this contract, without the Contracting Officer's prior written consent.

(End of clause)

18-52.232-77 Limitation of Funds (Fixed-Price Contract).

As prescribed in 18-32.705-270(a), insert the following clause. Contracting officers are authorized, in appropriate cases, to revise clause paragraphs (a), (b), and (g) to specify the work required under the contract, in lieu of using contract item numbers. The 60-day period may be varied from 30 to 90 days, and the 75 percent from 75 to 85 percent:

LIMITATION OF FUNDS (FIXED-PRICE CONTRACT) (MARCH 1989)

(a) Of the total price of items ____ through ______, the sum of

$ _____ is presently available for payment and allotted to this contract. It is anticipated that from time to time additional funds will be allocated to the contract in accordance with the following schedule, until the total price of said items is allotted:

SCHEDULE FOR ALLOTMENT OF FUNDS

Date	Amounts

(b) The Contractor agrees to perform or have performed work on the items specified in paragraph (a) above up to the point at which, if this contract is terminated pursuant to the Termination for Convenience of the Government clause of this contract, the total amount payable by the Government (including amounts payable for subcontracts and settlement costs) pursuant to paragraphs (f) and (g) of that clause would, in the exercise of reasonable judgment by the Contractor, approximate the total amount at the time allotted to the contract. The Contractor is not obligated to continue performance of the work beyond that point. The Government is not obligated in any event to pay or reimburse the Contractor more than the amount from time to time allotted to the contract, anything to the contrary in the Termination for Convenience of the Government clause notwithstanding.

(c) (1) It is contemplated that funds presently allotted to this contract will cover the work to be performed until _____ .

(2) If funds allotted are considered by the Contractor to be inadequate to cover the work to be performed until that date, or an agreed date substituted for it, the Contractor shall notify the Contracting Officer in writing when within the next 60 days the work will reach a point at which, if the contract is terminated pursuant to the Termination for Convenience of the Government clause of this contract, the total amount payable by the Government (including amounts payable for subcontracts and settlement costs) pursuant to paragraphs (f) and (g) of that clause will approximate 75 percent of the total amount then allotted to the contract.

(3) (i) The notice shall state the estimated date when the point referred to in subparagraph (2) above will be reached and the estimated amount of additional funds required to continue performance to the date specified in subparagraph (1) above, or an agreed date substituted for it.

(ii) The Contractor shall, 60 days in advance of the date specified in subparagraph (1) above, or an agreed date substituted for it, advise the Contracting Officer in writing as to the estimated amount of additional funds required for the timely performance of the contract for a further period as may be specified in the contract or otherwise agreed to by the parties.

(4) If, after the notification referred to in subdivision (3)(ii) above, additional funds are not allotted by the date specified in subparagraph (1) above, or an agreed date substituted for it, the Contracting Officer shall, upon the Contractor's written request, terminate this contract on that date or on the date set forth in the

request, whichever is later, pursuant to the Termination for Convenience of the Government clause.

(d) When additional funds are allotted from time to time for continued performance of the work under this contract, the parties shall agree on the applicable period of contract performance to be covered by these funds. The provisions of paragraphs (b) and (c) above shall apply to these additional allotted funds and the substituted date pertaining to them, and the contract shall be modified accordingly.

(e) If, solely by reason of the Government's failure to allot additional funds in amounts sufficient for the timely performance of this contract, the Contractor incurs additional costs or is delayed in the performance of the work under this contract, and if additional funds are allotted, an equitable adjustment shall be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the items to be delivered, or in the time of delivery, or both.

(f) The Government may at any time before termination, and, with the consent of the Contractor, after notice of termination, allot additional funds for this contract.

(g) The provisions of this clause with respect to termination shall in no way be deemed to limit the rights of the Government under the default clause of this contract. The provisions of this Limitation of Funds clause are limited to the work on and allotment of funds for the items set forth in paragraph (a) above. This clause shall become inoperative upon the allotment of funds for the total price of said work except for rights and obligations then existing under this clause.

(h) Nothing in this clause shall affect the right of the Government to terminate this contract pursuant to the Termination for Convenience of the Government clause of this contract.

(End of clause)

18-52.232-79 Payment for On-Site Preparatory Costs

As prescribed in 18-32.111-70, insert the following clause:

PAYMENT FOR ON-SITE PREPARATORY COSTS (SEPTEMBER 1987)

Costs associated with on-site preparatory work (start-up or set-up costs) will be prorated over all work activities of a Critical Path Method (CPM) network or Progress Chart against which progress payments will be sought. Separate payment for on-site preparatory costs will not be made by the Government.

(End of clause)

18-52.232-80 Date of Incurrence of Costs.

As prescribed in 18-32.705-270(b), insert the following clause:

DATE OF INCURRENCE OF COSTS (MARCH 1989)

The Contractor shall be entitled to reimbursement for costs incurred on or after _____________ in an amount not to exceed $ _______ that, if incurred after this contract had been entered into, would have been reimbursable under this contract.

(End of clause)

18-52.232-81 Contract Funding.

As prescribed in 18-32.705-270(c), insert the following clause:

CONTRACT FUNDING (MARCH 1989)

(a) For purposes of payment of cost, exclusive of fee, in accordance with the Limitation of Funds clause, the total amount allotted by the Government to this contract is $ ______ . This allotment is for ________ and covers the following period of performance: ________________ .

(b) An additional amount of $ ______ is obligated under this contract for payment of fee.

(End of clause)

18-52.232-82 Submission of Requests for Progress Payments.

As prescribed in 18-32.502-470, insert the following clause:

SUBMISSION OF REQUESTS FOR PROGRESS PAYMENTS (MARCH 1989)

The Contractor shall request progress payments in accordance with the Progress Payments clause by submitting to the Contracting Officer an original and two copies of Standard Form (SF) 1443, Contractor's Request for Progress Payment, and the contractor's invoice (if applicable). The Contracting Officer's office is the designated billing office for progress payments for purposes of the Prompt Payment clause.

(End of clause)

18-52.235-70 Scientific and Technical Information Service.

As prescribed in 18-35.070(a), insert the following clause:

SCIENTIFIC AND TECHNICAL INFORMATION SERVICE (MARCH 1989)

(a) The Contractor should make the fullest practicable use of the services provided by the NASA Scientific and Technical Information Facility (STIF) during the conduct of research under this contract. The Contractor, if not already registered with STIF, is encouraged to register by executing express registration forms that will (1) be provided by STIF and (2) inform the Contractor of the products and services available in support of work under the contract.

(b) NASA reserves the right, if any scientific and technical information requested is unavailable, to so notify the Contractor. NASA's failure to furnish any information requested shall not entitle the Contractor to an equitable adjustment.

(End of clause)

18-52.235-71 Key Personnel and Facilities.

As prescribed in 18-35.070(b), insert the following clause:

KEY PERSONNEL AND FACILITIES (MARCH 1989)

(a) The personnel and/or facilities listed below (or specified in the contract Schedule) are considered essential to the work being performed under this contract. Before removing, replacing, or diverting any of the listed or specified personnel or facilities, the Contractor shall (1) notify the Contracting Officer reasonably in advance and (2) submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on this contract.

(b) The Contractor shall make no diversion without the Contracting Officer's written consent; provided, that the Contracting Officer may ratify in writing the proposed change, and that ratification shall constitute the Contracting Officer's consent required by this clause.

(c) The list of personnel and/or facilities (shown below or as specified in the contract Schedule) may, with the consent of the contracting parties, be amended from time to time during the course of the contract to add or delete personnel and/or facilities.

[List here the personnel and/or facilities considered essential, unless they are specified in the contract Schedule.]

(End of clause)

18-52.235-72 Plan for New Technology Reporting.

As prescribed in 18-35.070(c), insert the following provision:

PLAN FOR NEW TECHNOLOGY REPORTING (MARCH 1989)

The Offeror shall, in the proposal in response to this solicitation, provide estimates of the cost and manpower requirements to perform the new technology reporting required by the clause at 18-52.227-70, New Technology, which is to be included in any resulting contract. In addition, if selected for negotiation, the Offeror will be required to submit for approval before contract execution a detailed plan setting forth the manner in which the Offeror will meet the new technology reporting requirements of the New Technology clause. This plan shall, at a minimum --

(a) Identify the specific areas of technical effort that are considered likely to generate new technology;

(b) Describe the means by which project supervisory and technical personnel will be advised of the responsibilities, details, and benefits of new technology reporting;

(c) Describe the procedures to be established, maintained, and followed for reviewing the effort to be undertaken for the purposes of identification and reporting (disclosure) of new technology within the time periods and in the manner prescribed by the New Technology clause;

(d) Describe the procedure for timely submission of the interim and final new technology reports required by the New Technology clause;

(e) Describe the procedures for (1) selecting either NASA's New Technology clause or another patent rights clause for inclusion in subcontracts having as a purpose the conduct of experimental, developmental, research, design, or engineering work, and (2) providing prompt notification of either the award of such subcontracts or a subcontractor's refusal to accept the clause; and

(f) Identify the individual(s) assigned substantial and specific responsibilities for ensuring compliance with the requirements of the New Technology clause, as well as their qualifications and organizational placement to discharge these responsibilities.

(End of provision)

18-52.236-71 Additive or Deductive Items.

As prescribed in 18-36.370(a), insert the following provision:

ADDITIVE OR DEDUCTIVE ITEMS (MARCH 1989)

(a) The low bidder for purposes of award shall be the conforming responsible bidder offering the low aggregate amount for the first or base bid item, plus or minus (in order of priority listed in the Schedule) those additive or deductive bid items providing the most features of the work within the funds determined by the Government to be available before bids are opened. If addition of another bid item in the listed order of priority would make the award exceed those funds for all bidders, it shall be skipped and the next subsequent additive bid item in a lower amount shall be added for each bid if award on it can be made within the funds.

(b) An example for one bid is an amount available of $100,000, a bidder's base bid of $85,000, and four successive additives of $10,000, $8,000, $6,000, and $4,000. In this example, the aggregate amount of the bid for purposes of award would be $99,000 for the base bid plus the first and fourth additives, the second and third additives being skipped because either of them would cause the aggregate bid to exceed $100,000.

(c) All bids shall be evaluated on the basis of the same additive or deductive bid items. The listed order of priority must be followed only for determining the low bidder. After determination of the low bidder, award in the best interests of the Government may be made to that bidder on its base bid and any combination of its additive or deductive bid items for which funds are determined to be available at the time of the award, provided that award of the combination of bid items does not exceed the amount offered by any other conforming responsible bidder for the same combination of bid items.

(End of provision)

18-52.236-72 Bids with Unit Prices.

As prescribed in 18-36.370(b), insert the following provision:

BIDS WITH UNIT PRICES (MARCH 1989)

(a) All extensions of the unit prices bid will be subject to verification by the Government. If there is variation between the unit price and any extended amounts, the unit price will be considered to be the bid.

(b) If a modification to a bid based on unit prices that provides for a lump-sum adjustment to the total estimated cost is submitted, the application of the lump sum adjustment to each unit price in the bid must be stated. If it is not stated, the lump-sum adjustment shall be applied on a pro rata basis to every unit price in the bid.

(End of provision)

18-52.236-73 Hurricane Plan.

As prescribed in 18-36.570-1, insert the following clause:

HURRICANE PLAN (DECEMBER 1988)

In the event of a hurricane warning, the Contractor shall --

(a) Inspect the area and place all materials possible in a protected location;

(b) Tie down, or identify and store, all outside equipment and materials;

(c) Clear all surrounding areas and roofs of buildings, or tie down loose material, equipment, debris, and any other objects that could otherwise be blown away or blown against existing buildings; and

(d) Ensure that temporary erosion controls are adequate.

(End of clause)

18-52.236-74 Magnitude of Requirement.

As prescribed in 18-36.570-2, insert the following provision:

MAGNITUDE OF REQUIREMENT (DECEMBER 1988)

The Government estimated price range of this project is between $ _____ and $ _____ . [Insert the estimated dollar range.]

(End of provision)

18-52.237-70 Emergency Evacuation Procedures.

As prescribed at 18-37.110, insert the following clause:

EMERGENCY EVACUATION PROCEDURES (DECEMBER 1988)

The contractor shall assure that its personnel at Government facilities are familiar with the functions of the Government's emergency evacuation procedures. If requested by the Contracting Officer, the Contractor shall designate an individual or individuals as contact points to provide for efficient and rapid evacuation of the facility if and when required.

(End of clause)

18-52.242-70 Technical Direction.

As prescribed in 18-42.7001, insert the following clause:

TECHNICAL DIRECTION
(MARCH 1989)

(a) Performance of the work under this contract is subject to the written technical direction of the Contracting Officer Technical Representative (COTR), who shall be specifically appointed by the Contracting Officer in writing in accordance with NASA FAR Supplement 18-42.270. "Technical direction" means a directive to the Contractor that approves approaches, solutions, designs, or refinements; fills in details or otherwise completes the general description of work or documentation items; shifts emphasis among work areas or tasks; or furnishes similar instruction to the Contractor. Technical direction includes requiring studies and pursuit of certain lines of inquiry regarding matters within the general tasks and requirements in Section C of this contract.

(b) The COTR does not have the authority to, and shall not, issue any instruction purporting to be technical direction that --

(1) Constitutes an assignment of additional work outside the statement of work;

(2) Constitutes a change as defined in the changes clause;

(3) In any manner causes an increase or decrease in the total estimated contract cost, the fixed fee (if any), or the time required for contract performance;

(4) Changes any of the expressed terms, conditions, or specifications of the contract; or

(5) Interferes with the contractor's rights to perform the terms and conditions of the contract.

(c) All technical direction shall be issued in writing by the COTR.

(d) The Contractor shall proceed promptly with the performance of technical direction duly issued by the COTR in the manner prescribed by this clause and within the COTR's authority. If, in the Contractor's opinion, any instruction or direction by the COTR falls within any of the categories defined in paragraph (b) above, the Contractor shall not proceed but shall notify the Contracting Officer in writing within 5 working days after receiving it and shall request the Contracting Officer to take action as described in this clause. Upon receiving this notification, the Contracting Officer shall either issue an appropriate contract modification within a reasonable time or advise the Contractor in writing within 30 days that the instruction or direction is --

(1) Rescinded in its entirety; or

(2) Within the scope of the contract and does not constitute a change under the changes clause of the contract, and that the Contractor should proceed promptly with its performance.

(e) A failure of the contractor and contracting officer to agree that the instruction or direction is both within the scope of the contract and does not constitute a change under the changes clause, or a failure to agree upon the contract action to be taken with respect to the instruction or direction, shall be subject to the Disputes clause of this contract.

(f) Any actions(s) taken by the contractor in response to any direction given by any person other than the Contracting Officer or the COTR shall be at the Contractor's risk.

(End of clause)

18-52.242-71 Travel Outside of the United States.

As prescribed in 18-42.7002(a), insert the following clause:

TRAVEL OUTSIDE OF THE UNITED STATES (DECEMBER 1988)

(a) The Contracting Officer must authorize in advance and in writing travel to locations outside of the United States by Contractor employees that is to be charged as a cost to this contract. This approval may be granted when the travel is necessary to the efforts required under the contract and it is otherwise in the best interest of NASA.

(b) The Contractor shall submit requests to the Contracting Officer at least 30 days in advance of the start of the travel.

(c) The Contractor shall submit a travel report at the conclusion of the travel. The Contracting Officer's approval of the travel will specify the required contents and distribution of the travel report.

(End of clause)

ALTERNATE I

TRAVEL OUTSIDE OF THE UNITED STATES (DECEMBER 1988)

As prescribed in 18-42.7002(b), add Alternate I to the basic clause.

(d) The costs of foreign travel may be approved as a charge to the contract for presentation of papers at meetings, conferences, or symposiums; participation in meetings, conferences, or symposiums as session chairpersons, discussion leaders, special invitees, or official staff members of the sponsoring group; "on-site" field work; and in exceptionally meritorious cases, visits to scientific or technical organizations and attendance at international conferences and technical seminars when the travel is related to efforts under the contract.

(e) The costs of foreign travel ordinarily will not be approved as a charge to the contract for the sole purpose of visiting or attending meetings, unless fully warranted by clear and recognizable direct benefits to the efforts under the contract; meetings of national (as distinguished from international) bodies, unless the travel is constructively associated with other approved goals; or meetings that are predominantly American in either attendance or presented papers.

(End of clause)

18-52.242-72 Observance of Legal Holidays

As prescribed in 18-42.7003(a), insert the following clause:

OBSERVANCE OF LEGAL HOLIDAYS (DECEMBER 1988)

(a) The on-site Government personnel observe the following holidays:

New Year's Day
Labor Day
Martin Luther King's Birthday
Columbus Day
Washington's Birthday
Veterans Day
Memorial Day
Thanksgiving Day
Independence Day
Christmas Day

Any other day designated by Federal statute, Executive order, or the President's proclamation.

(b) When any holiday falls on a Saturday, the preceding Friday is observed. When any holiday falls on a Sunday, the following Monday is observed. Observance of such days by Government personnel shall not by itself be cause for an additional period of performance or entitlement of compensation except as set forth within the contract.

(End of clause)

ALTERNATE I (DECEMBER 1988)

As prescribed in 18-42.7003(b), add the following paragraphs (c), (d), and (e) as Alternate I to the clause.

> (c) Personnel assigned to this contract shall limit their observance of holidays to those set forth above. If the Contractor's personnel work during a holiday other than those above, no form of holiday or other premium compensation shall be reimbursed as either a direct or indirect cost. However, this does not preclude reimbursement for authorized overtime work that would have been overtime regardless of the status of the day as a holiday.
>
> (d) When the NASA installation grants administrative leave to its Government employees, Contractor personnel working on-site should also be dismissed. However, the contractor shall (1) continue to provide sufficient personnel to perform round-the-clock requirements of critical tasks already in operation or scheduled and (2) be guided by the instructions issued by the Contracting Officer or an authorized representative.
>
> (e) Whenever administrative leave is granted to Contractor personnel pursuant to paragraph (d) above as a result of inclement weather, potentially hazardous conditions, or other special circumstances, it shall be without loss to the Contractor. The cost of salaries and wages to the Contractor for the period of any such excused absence shall be a reimbursable item of cost under this contract for employees in accordance with the Contractor's established accounting policy.

18-52.243-70 Engineering Change Proposals.

As prescribed in 18-43.205-70, insert the following clause with any appropriate alternates:

ENGINEERING CHANGE PROPOSALS (MARCH 1989)

(a) The Contracting Officer may, at any time, request in writing that the Contractor prepare and submit an engineering change proposal (ECP), as that term is defined in DOD-STD-480A. Upon receiving this request, the Contractor shall submit to the Contracting Officer the information specified by, and in the format required by, paragraph 4.6 of DOD-STD-480A.

(b) The ECP shall include a "not-to-exceed" price and delivery adjustment, or a "not-less-than" price and delivery adjustment, acceptable to the Contractor if the Government subsequently orders the proposed change. If the change is ordered, the equitable adjustment to the contract shall not be greater than the "not-to-exceed" or less than the "not-less-than" amount. This paragraph (b) does not preclude revision or correction of an ECP in accordance with paragraphs 4.10 and 4.11 of DOD-STD-480A. Concurrent with the submission of any ECP under this contract, the Contractor shall, in accordance with FAR 15.804-6, submit to the Contracting Officer a completed Standard Form 1411, Contract Pricing Proposal Cover Sheet. At the time of agreement upon the price of the ECP, the Contractor shall, in accordance with 15.804-2 and 15.804-4, submit to the Contracting Officer a signed Certificate of Current Cost or Pricing Data.

(End of clause)

ALTERNATE I (MARCH 1989)

As prescribed in 18-43.205-70(b), add the following paragraph (c) to the basic clause.

(c) If the price adjustment proposed for any Contractor-originated ECP (excluding any Government-requested ECP or value engineering change proposal) is _______ [Insert percent of contract price or dollar value.] or less, the change shall be made at no adjustment to the contract price.

ALTERNATE II (MARCH 1989)

As prescribed in 18-43.205-70(b) substitute the following sentence for the second sentence in paragraph (b) of the basic clause.

Change orders issued in accordance with the changes clause of this contract shall not be considered an authorization to the Contractor to exceed the estimated cost in the contract Schedule, in the absence of a statement in the change order or other contract modification increasing the estimated cost.

18-52.244-70 Geographic Participation in the Aerospace Program.

As prescribed in 18-44.170, insert the following clause:

GEOGRAPHIC PARTICIPATION IN THE AEROSPACE PROGRAM
(APRIL 1985)

(a) It is the policy of the National Aeronautics and Space Administration to advance a broad participation by all geographic regions in filling the scientific, technical, research and development, and other needs of the aerospace program.

(b) The Contractor agrees to use its best efforts to solicit subcontract sources on the broadest feasible geographic basis consistent with efficient contract performance and without impairment of program effectiveness or increase in program cost.

(c) The Contractor further agrees to insert this clause in all subcontracts of $100,000 and over.

(End of clause)

18-52.245-70 Acquisition of Centrally Reportable Equipment.

As prescribed in 18-45.106-70(a), insert the following clause:

ACQUISITION OF CENTRALLY REPORTABLE EQUIPMENT
(MARCH 1989)

(a) *"Centrally reportable equipment,"* as used in this clause, means plant equipment, special test equipment (including components), special tooling, and non-flight space property (including ground support equipment) (1) generally commercially available and used either as a separate item or as a component of a system, (2) having an acquisition cost of $1,000 or more (unless a lower threshold is specified elsewhere in this contract), and (3) is identifiable by a manufacturer and model number.

(b) (1) Before acquiring (including acquiring by fabricating) any item of centrally reportable equipment under this contract (unless for incorporation into flight-qualified or flight-monitoring deliverable end items), the Contractor shall provide to the Contracting Officer, at the earliest possible date, a description of the item sufficiently detailed to enable screening of existing Government inventories.

(2) For this purpose, the Contractor shall (i) prepare a separate DD Form 1419, DOD Industrial Plant Equipment Requisition, for each item of centrally reportable equipment to be acquired and (ii) forward it through the Contracting Officer to the NASA Equipment Management System (NEMS) Coordinator at the cognizant NASA installation at least 30 days in advance of the date the Contractor intends to acquire or begin fabricating the item. If a certificate of non-availability is not received within that period, the Contractor may proceed to acquire the item, subject to any other applicable provisions of this contract. Instructions for preparing the DD Form 1419 are contained in NASA FAR Supplement 18-45.7103. The same data may be provided in an alternate format when requesting other than Defense Industrial Plant Equipment Center (DIPEC) controlled items.

(3) Upon receiving the item described on the DD Form 1419 (regardless of whether it is Contractor-acquired or Government-furnished), the Contractor shall prepare and submit a DD Form 1342 or equivalent data, in accordance with NASA FAR Supplement 18-45.505-670.

(End of clause)

18-52.245-71 Installation-Provided Government Property.

As prescribed in 18-45.106-70(b), insert the following clause:

INSTALLATION-PROVIDED GOVERNMENT PROPERTY (MARCH 1989)

(a) In performance of work under this contract, certain Government property identified in the contract shall be made available to the Contractor on a no-charge-for-use basis by the installation's Supply and Equipment Management Officer. That property shall be utilized in the performance of this contract at the installation that provided the property or at such other installations or locations as may be specified elsewhere in this contract. Under this clause, the Government retains accountability for as well as title to the property, and the Contractor assumes user responsibilities prescribed in the installation property management directives listed elsewhere in this contract.

(b) (1) The official accountable recordkeeping and financial control and reporting of the property subject to this clause shall be retained by the Government and accomplished by the installation's Supply and Equipment Management and Financial Management Officers. However, the Government will provide the Contractor a record of all items of such property, including copies of all transaction documents used to describe changes to this record. The Contractor shall maintain this record and transaction documentation in such a condition that, at any stage of completion of work under this contract, the status of the property, including location, utilization, consumption rate, and identification, can be readily ascertained.

(2) The Contractor shall also adhere to all other procedures (and be subject to sanctions related to those procedures) prescribed by the installation's director that have been established for the management of installation property. The records and documentation shall be made available, upon request, to the installation's Supply and Equipment Management Officer and any other formally designated representatives of the Contracting Officer.

(c) If the Government fails to provide the Government property specified in this contract and that failure adversely affects the Contractor's ability to perform the contract, the Contracting Officer shall, upon timely written request from the Contractor, (1) make a determination of the effect on the Contractor and (2) equitably adjust the contract in accordance with the procedure provided in the FAR 52.243 changes clause of this contract. Equitable adjustments made pursuant to this paragraph (c), however, shall not include adjustments in fee, unless the property to be provided was described in specific quantities of specific items.

(d) Government property made available under this clause shall in every respect be subject to the provisions of the FAR 52.245 Government property clause of this contract, except as provided in paragraphs (a), (b), and (c) above and as may otherwise be provided in this contract with respect to (1) the Contractor's responsibilities for repair and maintenance of Government property, or (2) the Contractor's liability for any loss of or damage to such property that is attributable to the Contractor's failure to maintain and administer a program for maintenance and repair in accordance with sound industrial practice.

(End of clause)

ALTERNATE I
(MARCH 1989)

As prescribed in 18-45.106-70(b)(3), insert the following as subparagraph (b)(3) of the basic clause:

> (3) The contractor shall not utilize the installation's central receiving facility for receipt of Contractor-acquired property. However, the Contractor shall provide listings suitable for establishing accountable records of all such property received, on a quarterly basis, to the Contracting Officer and the Supply and Equipment Management Officer.

18-52.245-72 Liability for Government Property Furnished for Repair or Other Services.

As prescribed in 18-45.106-70(c), insert the following clause:

LIABILITY FOR GOVERNMENT PROPERTY FURNISHED FOR REPAIR OR OTHER SERVICES (MARCH 1989)

(a) This clause shall govern with respect to any Government property furnished to the Contractor for repair or other services that is to be returned to the Government. Such property, hereinafter referred to as "Government property furnished for servicing," shall not be subject to any clause of this contract entitled Government-Furnished Property or Government Property.

(b) The official accountable recordkeeping and financial control and reporting of the property subject to this clause shall be retained by the Government. The Contractor shall maintain adequate records and procedures to ensure that the Government property furnished for servicing can be readily accounted for and identified at all times while in its custody or possession or in the custody or possession of any subcontractor.

(c) The Contractor shall be liable for any loss or destruction of or damage to the Government property furnished for servicing (1) caused by the Contractor's failure to exercise such care and diligence as a reasonable prudent owner of similar property would exercise under similar circumstances, or (2) sustained while the property is being worked upon and directly resulting from that work, including, but not limited to, any repairing, adjusting, inspecting, servicing, or maintenance operation. The Contractor shall not be liable for loss or destruction of or damage to Government property furnished for servicing resulting from any other cause except to the extent that the loss, destruction, or damage is covered by insurance (including self-insurance funds or reserves).

(d) In addition to any insurance (including self-insurance funds or reserves) carried by the Contractor and in effect on the date of this contract affording protection in whole or in part against loss or destruction of or damage to such Government property furnished for servicing, the amount and coverage of which the Contractor agrees to maintain, the Contractor further agrees to obtain any additional insurance covering such loss, destruction, or damage that the Contracting Officer may from time to time require. The requirements for this additional insurance shall be effected under the procedures established by the FAR 52.243 changes clause of this contract.

(e) The Contractor shall hold the Government harmless and shall indemnify the Government against all claims for injury to persons or damage to property of the Contractor or others arising from the Contractor's possession or use of the Government property furnished for servicing or arising from the presence of that property on the Contractor's premises or property.

(End of clause)

18-52.245-73 Financial Reporting of Government-Owned/Contractor-Held Property.

As prescribed in 18-45.106-70(d), insert the following clause (note that when the clause is used with its Alternate I or Alternate II, the word "annually" in paragraph (a) must be replaced by "monthly" or "quarterly," as appropriate):

FINANCIAL REPORTING OF GOVERNMENT-OWNED/ CONTRACTOR-HELD PROPERTY (MARCH 1989)

(a) The Contractor shall prepare and submit annually a NASA Form 1018, Report of Government-Owned/ Contractor-Held Property, in accordance with 18-45.505-14 and the instructions on the form and in section 18-45.7101 of the NASA FAR Supplement, except that the reporting of space hardware shall be required only as directed in clause 18-52.245-78, Space Hardware Reporting, of this contract, if applicable.

(b) If administration of this contract has been delegated to the Department of Defense, the original and three copies of NASA Form 1018 shall be submitted through the DOD Property Administrator to the NASA office identified below. If the contract is administered by NASA, the forms shall be submitted directly to the following NASA office: ________________
[Insert the address and office code of the organization within the cognizant NASA installation responsible for control and distribution of the NF 1018.]

(c) The annual reporting period shall be from July 1 of each year to June 30 of the following year.

The report shall be submitted by July 31.

(d) The Contractor agrees to insert this reporting requirement in all first-tier subcontracts, except that the requirement shall provide for the submission of the subcontractors' reports to the Contractor, not to the Government. The Contractor shall require the subcontractors' reports to be submitted in sufficient time to meet the reporting date in paragraph (c) above.

(e) The Contractor's report shall consist of a consolidation of the subcontractors' reports and the Contractor's own report.

(End of clause)

ALTERNATE I
(MARCH 1989)

As prescribed in 18-45.106-70(d), insert the following paragraph (c) for paragraph (c) of the basic clause and modify paragraph (a) accordingly:

> (c) The monthly report is due no later than the last day of the month following the month being reported.

ALTERNATE II
(MARCH 1989)

As prescribed in 18-45.106-70(d), insert the following paragraph (c) for paragraph (c) of the basic clause and modify paragraph (a) accordingly:

> (c) The quarterly report is due no later than the last day of the month following the quarter being reported.

18-52.245-74 Contractor Accountable On-Site Government Property.

As prescribed in 18-45.106-70(e), insert the following clause:

CONTRACTOR ACCOUNTABLE ON-SITE GOVERNMENT PROPERTY
(MARCH 1989)

(a) In performance of work under this contract, certain Government property identified in the contract shall be provided to the Contractor on a no-charge-for-use basis by the installation's Supply and Equipment Management Officer. That property shall be utilized in the performance of this contract at the installation that provided the property or at such other installations or locations as may be specified elsewhere in this contract. The Contractor assumes accountability and user responsibilities for the property.

(b) Government property provided shall in every respect be subject to the provisions of the FAR 52.245 Government property clause of this contract. In addition, the contractor is responsible for managing this property in accordance with the guidelines provided by the installation's Supply and Equipment Management Officer or any other formally designated representatives of the Contracting Officer. The guidelines include but are not limited to requiring the Contractor to --

(1) Use economic order quantity (EOQ) methods for routine stock replenishment;

(2) Utilize the Federal Cataloging System;

(3) Comply with shelf-life requirements;

(4) Provide for accountability and control (using the NASA Equipment Management System (NEMS)) of all equipment costing $1000 and over, plus that equipment designated as "sensitive";

(5) Provide for physical inventory of all controlled equipment at least every 3 years;

(6) Provide for sample inventories of materials plus complete inventories every 5 years;

(7) Conduct walk-through utilization inspections;

(8) Screen NEMS before acquiring any equipment costing $1000 or over, plus equipment designated by the installation as sensitive and costing $500 and over;

(9) Support the Equipment Acquisition Document (EAD) process; and

(10) Use Government sources as the first source of supply.

(c) Data requirements relating to the guidelines in paragraph (b) above are specified under Section F, Deliveries or performance.

(End of clause)

18-52.245-75 Title to Equipment.

As prescribed in 18-45.106-70(f), insert the following clause:

TITLE TO EQUIPMENT (MARCH 1989)

(a) In accordance with the FAR 52.245 Government property clause of this contract, title to equipment and other tangible personal property acquired by the Contractor with funds provided for conducting research under this contract and having an acquisition cost less than $ _____ [Insert a dollar value not less than $5,000] shall vest in the Contractor upon acquisition, provided that the Contractor has complied with the requirements of the FAR 52.245 Government property clause.

(b) Upon completion or termination of this contract, the Contractor shall submit to the Contracting Officer a list of all equipment with an acquisition cost of $ _____ [Insert the dollar value specified in paragraph (a)] or more acquired under the contract during the contract period. The list shall include a description, manufacturer and model number, date acquired, cost, and condition information, and shall be submitted within 30 calendar days after completion or termination of the contract, in accordance with Federal Acquisition Regulation subsection 45.606-5.

(c) Title to the property specified in paragraph (b) above vests in the Contractor, but the Government retains the right to direct transfer of title to property specified in paragraph (b) above to the Government or to a third party within 180 calendar days after completion or termination of the contract. Such transfer shall not be the basis for any claim by the Contractor.

(d) Title to all Government-furnished property remains vested with the Government (see the FAR 52.245 Government property clause).

(e) Title to the contractor-acquired property listed below shall vest with the Government.

[List any contractor-acquired property for which vesting of title with the Government is appropriate or insert "None"]

(End of clause)

18-52.245-76 List of Government-Furnished Property.

As prescribed in 18-45.106-70(g), insert the following clause:

LIST OF GOVERNMENT-FURNISHED PROPERTY (OCTOBER 1988)

For performance of work under this contract, the Government will make available Government property identified below or in Attachment _____ [Insert attachment number or "not applicable"] of this contract on a no-charge-for-use basis. The Contractor shall use this property in the performance of this contract at _________ [Insert applicable site(s) where property will be used] and at other location(s) as may be approved by the Contracting Officer. Under the FAR 52.245 Government property clause of this contract, the Contractor is accountable for the identified property.

Item	Quantity	Acquisition Cost	Date to be Furnished to the Contractor

[Insert a description of the item(s), quantity, acquisition cost, and date the property will be furnished to the Contractor]

(End of clause)

18-52.245-77 List of Installation-Provided Property and Services.

As prescribed in 18-45.106-70(h), insert the following clause:

LIST OF INSTALLATION-PROVIDED PROPERTY AND SERVICES (MARCH 1989)

In accordance with the Installation-Provided Government Property clause of this contract, the Contractor is authorized use of the types of property and services listed below, to the extent they are available, while on-site at the NASA installation.

(a) Office space, work area space, and utilities. The Contractor shall use Government telephones for official purposes only. Pay telephone stations are available for the convenience and use of employees in making unofficial calls, both local and long distance.

(b) General- and special-purpose equipment, including office furniture.

(1) Equipment to be made available to the Contractor for use in performance of this contract on-site and at such other locations as approved by the Contracting Officer is listed in Attachment _____ [Insert attachment number or "not applicable" if no equipment is

provided]. The Government retains accountability for this property under the Installation-Provided Government Property clause, regardless of its authorized location.

(2) If the Contractor acquires property as a direct cost under this contract, this property also shall become accountable to the Government upon its entry into the NASA Equipment Management System (NEMS) in accordance with the property reporting requirements of this contract.

(3) The Contractor shall not bring on-site for use under this contract any property owned or leased by the Contractor, or other property that the Contractor is accountable for under any other Government contract, without the Contracting Officer's prior written approval.

(c) Supplies from stores stock.

(d) Publications and blank forms stocked by the installation.

(e) Safety and fire protection for Contractor personnel and facilities.

(f) Installation service facilities: ________________ [Insert the name of the facilities or "None"].

(g) Medical treatment of a first-aid nature for Contractor personnel injuries or illnesses sustained during on-site duty.

(h) Cafeteria privileges for Contractor employees during normal operating hours.

(i) Building maintenance for facilities occupied by Contractor personnel.

(j) Moving and hauling for office moves, movement of large equipment, and delivery of supplies. Moving services shall be provided on-site, as approved by the Contracting Officer.

(k) The responsibilities of the Contractor as contemplated by paragraph (a) of the Installation-Provided Government Property clause are defined in the following property management directives and installation supplements to these Directives:

(1) NHB 4200.1, NASA Equipment Management Manual.

(2) NHB 4200.2, NASA Equipment Management System (NEMS) User's Guide for Property Custodians.

(3) NHB 4300.1, NASA Personal Property Disposal Manual.

(4) NHB 4100.1, NASA Materials Inventory Management Manual.

(End of clause)

18-52.245-78 Space Hardware Reporting.

As prescribed in 18-45.106-70(i), insert the following clause:

SPACE HARDWARE REPORTING (MARCH 1989)

In accordance with the Financial Reporting of Government-Owned/Contractor-Held Property clause of this contract, the reporting of certain specified items of space hardware is required on a NASA Form

1018, Report of Government-Owned/Contractor-Held Property. The reporting of space hardware is in addition to the requirements of other property reporting on the form. At present, the items of space hardware to be reported are the following: ______________ [Insert the space hardware to be reported for the particular contract]. The Contracting Officer shall update this list prior to June 1 of each year to be applicable beginning with the next reporting period.

(End of clause)

18-52.245-79 Use of Government-Owned Property.

As prescribed in 18-45.106-70(j), insert the following provision:

USE OF GOVERNMENT-OWNED PROPERTY (MARCH 1989)

(a) The offeror ( ) does, ( ) does not intend to use in performance of any contract awarded as a result of this solicitation existing Government-owned facilities (real property or plant equipment), special test equipment, or special tooling (including any property offered by this solicitation). The offeror shall identify any offered property not intended to be used. If the offeror does intend to use any of the above items, the offeror must furnish the following information required by Federal Acquisition Regulation (FAR) 45.205(b), NASA FAR Supplement (NFS) 18-45.102-70, and NFS 18-45.104(b):

(1) Identification and quantity of each item. Include the item's acquisition cost if it is not property offered by this solicitation.

(2) For property not offered by this solicitation, identification of the Government contract under which the property is accountable and written permission for its use from the cognizant Contracting Officer.

(3) Amount of rent, calculated in accordance with FAR 45.403 and the clause at FAR 52.245-9, Use and Charges, unless the property has been offered on a rent-free basis by this solicitation.

(4) The dates during which the property will be available for use, and if it is to be used in more than one contract, the amounts of respective uses in sufficient detail to support proration of the rent. This information is not required for property offered by this solicitation.

(b) The offeror ( ) does, ( ) does not request additional Government-provided property for use in performing any contract awarded as a result of this solicitation. If the offeror requests additional Government-provided property, the offeror must furnish --

(1) Identification of the property, quantity, and estimated acquisition cost of each item; and

(2) The offeror's written statement as prescribed by FAR 45.302-1(a)(4).

(c) If the offeror intends to use any Government property (paragraph (a) or (b) above), the offer must also furnish the following:

(1) The date of the last Government review of the offeror's property control and accounting system, actions taken to correct any deficiencies found, and the name and telephone number of the cognizant property administrator.

(2) A statement that the offeror has reviewed, understands, and can comply with all property management and accounting procedures in the solicitation, FAR Subpart 45.5, and NFS Subparts 18-45.5, 18-45.70, and 18-45.71.

(3) A statement indicating whether or not the costs associated with subparagraph (2) above, including plant clearance and/or plant reconversion costs, are included in its cost proposal.

(End of provision)

18-52.245-80 Use of Government Production and Research Property on a No-Charge Basis.

As prescribed in 18-45.106-70(k), insert the following clause:

USE OF GOVERNMENT PRODUCTION AND RESEARCH PROPERTY ON A NO-CHARGE BASIS (MARCH 1989)

In performing this contract, the Contractor is authorized to use on a no-charge, noninterference basis the Government-owned production and research property provided to the Contractor under the contract(s) specified below and identified in the cognizant Contracting Officer's letter approving use of the property. Use is authorized on the basis that it will not interfere with performance of the Government contract(s) under which the property was originally furnished. Use shall be in accordance with the terms and conditions of these contracts and the cognizant Contracting Officer's approval letter.

Contract No(s): [Insert the contract number(s) under which the Government property is accountable].

(End of clause)

18-52.246-70 Space Transportation System (STS) Personnel Reliability Program.

As prescribed in 18-46.270(a), insert the following clause:

SPACE TRANSPORTATION SYSTEM (STS) PERSONNEL RELIABILITY PROGRAM (MARCH 1989)

(a) In implementation of the STS Personnel Reliability Program, described in NASA Management Instruction (NMI) 8610.13, the Government shall identify personnel positions that are mission critical. Some of the positions as identified may now or in the future be held by employees of the Contractor. Upon notification by the Contracting Officer that a mission-critical position is being or will be filled by one or more of the Contractor's employees, the Contractor shall (1) provide the affected employees with a clear understanding of the investigative and medical requirements and, (2), to the extent permitted by applicable law, assist the Government by furnishing personal data and medical records.

(b) The standard that will be used in certifying individuals for a mission-critical position is that they must be determined to be competent and reliable in the performance of their assigned duties in accordance with the screening requirements of the NMI. If the Government determines that a Contractor employee occupying or nominated to occupy a mission-critical position will not be certified for such duty, the Contracting Officer shall (1) furnish to the employee the specific reasons for its action; (2) advise the employee that he/she may avail himself/herself of the review procedures that are a part of the certification system; and (3) furnish him/her a copy of those procedures upon request.

(c) If a Contractor employee who has been nominated for (but has not yet filled) a mission-critical position is not certified, the Contractor agrees to defer the appointment to the position until the employee has had an opportunity to pursue the referenced procedures. If the employee is an incumbent to the position, the Contractor agrees, upon the request of the Government, to remove him/her from the position temporarily pending an appeal of the action under the review procedures. If any employee not certified elects not to take action under the procedures, or, if having taken action, is not successful in obtaining a reversal of the determination, the Contractor agrees not to appoint the employee to the position, or if already appointed, to promptly remove the employee.

(End of clause)

18-52.246-71 Government Contract Quality Assurance Functions.

As prescribed in 18-46.470, insert the following clause:

GOVERNMENT CONTRACT QUALITY ASSURANCE FUNCTIONS (OCTOBER 1988)

In accordance with the inspection clause of this contract, the

Government intends to perform the following functions at the locations indicated:

Item	Quality Assurance Function	Location

[Insert the items involving quality assurance, the quality assurance functions, and where the functions will be performed]

(End of clause)

18-52.246-72 Material Inspection and Receiving Report.

As prescribed in 18-46.674, insert the following clause:

MATERIAL INSPECTION AND RECEIVING REPORT (OCTOBER 1988)

(a) At the time of each delivery under this contract, the Contractor shall furnish to the Government a Material Inspection and Receiving Report (DD Form 250 series) prepared in ___ [Insert number of copies, including original] copies, an original and ___ copies [Insert number of copies].

(b) The Contractor shall prepare the DD Form 250 in accordance with NASA FAR Supplement 18-46.672-1. The Contractor shall enclose the copies of the DD Form 250 in the package or seal them in a waterproof envelope, which shall be securely attached to the exterior of the package in the most protected location.

(c) When more than one package is involved in a shipment, the Contractor shall list on the DD Form 250, as additional information, the quantity of packages and the package numbers. The Contractor shall forward the DD Form 250 with the lowest numbered package of the shipment and print the words "CONTAINS DD FORM 250" on the package.

(End of clause)

18-52.246-73 Manned Space Flight Item.

As prescribed in 18-46.270(b), insert the following clause:

MANNED SPACE FLIGHT ITEM (OCTOBER 1988)

The Contractor shall include the following statement in all subcontracts and purchase orders placed by it in support of this contract, without exception as to amount or subcontractual level:

"FOR USE IN MANNED SPACE FLIGHT; MATERIALS, MANUFACTURING, AND WORKMANSHIP OF HIGHEST QUALITY STANDARDS ARE ESSENTIAL TO ASTRONAUT SAFETY.

IF YOU ARE ABLE TO SUPPLY THE DESIRED ITEM WITH A HIGHER QUALITY THAN THAT OF THE ITEMS SPECIFIED OR PROPOSED, YOU ARE REQUESTED TO BRING THIS FACT TO THE IMMEDIATE ATTENTION OF THE PURCHASER."

(End of clause)

18-52.247-70 Returnable Containers.

As prescribed in 18-47.305-70(a), insert the following clause:

RETURNABLE CONTAINERS (MARCH 1989)

(a) Containers shall remain the Contractor's property but shall be loaned without charge to the Government for a period of 30 days after their delivery to the f.o.b. point specified in the contract. Beginning with the first day after this loan period expires, to and including the day the containers are delivered to the Contractor (if the original delivery was f.o.b. origin) or are delivered or made available for delivery to the Contractor's designated carrier (if the original delivery was f.o.b. destination), the Government shall pay the Contractor a rental of $ ______ [Insert dollar amount for container rental.] per container per day, regardless of type or capacity.

(b) This rental charge will be computed separately for containers of each type, size, and capacity, and for each delivery point named in the contract. A credit of 30 container days will accrue to the Government for each container, regardless of type or capacity, delivered by the Contractor. A debit of 1 container day will accrue to the Government for each container for each day after delivery to the f.o.b. point specified in the contract. At the end of the contract, if the debit total exceeds the credit total, rental shall be charged for the difference. If the credit total equals or exceeds the debit total, no rental shall be charged. No rental shall accrue to the Contractor in excess of the replacement value per container specified in paragraph (c) below.

(c) For each container lost or damaged beyond repair while in the Government's possession, the Government shall pay the Contractor the replacement value as follows, less the allocable rental paid for that container:

[Insert the container types, sizes, capacities, and associated replacement values.]

(d) Containers lost or damaged beyond repair and paid for by the Government shall become Government property, subject to the following: If any lost container is located within ____________ [Insert number of calendar days.] calendar days after payment by the Government, it may be returned to the Contractor by the Government, and the Contractor shall pay the Government the replacement value, less rental computed in accordance with paragraph (a) above, beginning at the expiration of the loan period specified in paragraph (a) above, and continuing to the date on which the cylinder was delivered to the Contractor.

(End of clause)

18-52.247-71 Protection of the Florida Manatee.

As prescribed in 18-47.7001, insert the following clause:

PROTECTION OF THE FLORIDA MANATEE (MARCH 1989)

(a) Pursuant to the Endangered Species Act of 1973 (Pub. L. 93-205), as amended, and the Marine Mammals Protection Act of 1972 (Pub. L. 92-522), the Florida Manatee (Trichechus Manatus) has been designated an endangered species, and the Banana and Indian Rivers within and adjacent to NASA's Kennedy Space Center (KSC) have been designated as a critical habitat of the Florida Manatee.

(b) Contractor personnel involved in vessel operations, dockside work, and selected disassembly functions shall be provided training relative to (1) habits and characteristics of the Florida Manatee, (2) provisions of the applicable laws, (3) personal liability of workers under the laws, and (4) operational restrictions imposed by KSC.

(c) All vessel operations shall be conducted within the posted speed restrictions, and vessels shall be operated at minimum controllable speeds in all KSC waters. Shallow-water operations are prohibited.

(d) Training will be conducted by personnel of the U.S. Fish and Wildlife Service (USFWS). The contractor agrees to cooperate with the USFWS by allowing access at reasonable times and places (including shipboard) to USFWS personnel, and by making available such contractor personnel as are required to have the training. Arrangements for training will be made as follows:

(1) For personnel involved in tug, barge, or marine operations, through the Lockheed Space Operations Contractor, Transportation Coordination Center, Kennedy Space Center, Florida, telephone (407) 867-5330.

(2) For all other personnel, through the Systems Training and Employee Development Branch, Code PM-TNG, telephone (407) 867-2737.

(e) The contractor shall incorporate the provisions of this clause in applicable subcontracts (including vendor deliveries).

(End of clause)

18-52.247-72 Advance Notice of Shipment.

As prescribed in 18-47.305-70(b), insert the following clause:

ADVANCE NOTICE OF SHIPMENT (OCTOBER 1988)

________ [Insert number of work days] work days prior to shipping item(s) ______ [Insert items to be shipped], the Contractor shall furnish the anticipated shipment date, bill of lading number (if applicable), and carrier identity to ________________ [Insert individual(s) to receive notification] and to the Contracting Officer.

(End of clause)

18-52.247-73 Shipment by Government Bills of Lading.

As prescribed in 18-47.305-70(c), insert the following clause:

SHIPMENT BY GOVERNMENT BILLS OF LADING (MARCH 1989)

(a) The Contractor shall ship items deliverable under this contract, if the transportation cost per shipment exceeds $100, by Government bills of lading (GBLs). At least 15 days before shipment, the Contractor shall request in writing GBLs from: _______________ [Insert name, title, and mailing address of designated transportation officer or other official delegated responsibility for GBLs]. If time is limited, requests may be by telephone: _____________ [Insert appropriate telephone number]. Requests for GBLs shall include the following information.

(1) Item identification/ description.
(2) Origin and destination.
(3) Individual and total weights.
(4) Dimensions and total cubic footage.
(5) Total number of pieces.
(6) Total dollar value.
(7) Other pertinent data.

(b) The Contractor shall prepay transportation charges of $100 or less per shipment. The Government shall reimburse the contractor for these charges if they are added to the invoice as a separate line item supported by the paid freight receipts. If paid receipts in support of the invoice are not obtainable, a certificate as described below must be completed, signed by an authorized company representative, and attached to the invoice.

"I certify that the shipments identified below have been made, transportation charges have been paid by (company name), and paid freight or comparable receipts are not obtainable.

Contract or Order Number: ______________________________

Destination:_______________"

(End of clause)

18-52.249-72 Termination (Utilities).

As prescribed in 18-49.505-70, insert the following clause. The period of 30 days may be varied not to exceed 90 days.

TERMINATION (UTILITIES) (MARCH 1989)

The Government, at its option, may terminate this contract by giving written notice not less than 30 days in advance of the termination's effective date.

(End of clause)

18-52.250-70 Indemnification Under Public Law 85-804--NASA Contracts.

As prescribed at 18-50.403-370(a)(1), insert the following clause:

INDEMNIFICATION UNDER PUBLIC LAW 85-804-- NASA CONTRACTS (MARCH 1989)

(a) "Principal officials," as used in this clause, means any of the

Contractor's managers, superintendents, or other equivalent representatives who have supervision or direction of --

(1) All or substantially all of the Contractor's business, or

(2) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or

(3) A separate and complete major industrial operation in connection with the performance of this contract.).

(b) Pursuant to Public Law 85-804 (50 U.S.C. 1431-1435) and Executive Order 10789, as amended, and notwithstanding any other provisions of this contract, but subject to the following paragraphs of this clause, the Government shall hold harmless and indemnify the Contractor against --

(1) Claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death; personal injury; or loss of, damage to, or loss of use of property;

(2) Loss of or damage to property of the Contractor, and loss of its use, but excluding loss of profit; and

(3) Loss of, damage to, or loss of use of Government property but excluding loss of profit.

(c) This indemnification applies only to the extent that the claim, loss, or damage (1) arises out of or results from a risk defined in this contract to be unusually hazardous and (2) is not compensated by insurance or otherwise. Any such claim, loss, or damage within deductible amounts of the Contractor's insurance shall not be covered under this clause.

(d) (1) The Government shall not be liable for --

(i) Claims by the United States (other than those arising through subrogation) against the Contractor;

(ii) Losses affecting the property of the Contractor; when the claim, loss, or damage was caused by the willful misconduct or lack of good faith on the part of any of the Contractor's directors, officers, or principal officials; or

(iii) Loss of, damage to, or loss of use of property of the Contractor unless the total amount for such loss, damage, and loss of use, excluding loss of profit, is in excess of the Contractor's insurance or $500,000,000. Specifically, the Government shall only be liable for such loss, damage, and loss of use in excess of the Contractor's insurance or $500,000,000, whichever is the larger amount.

(2) The Contractor shall not be indemnified under this clause for liability assumed under any contract or agreement unless that assumption of liability has been specifically authorized by the Administrator and approved by the Contracting Officer. When the Government has assumed liability for subcontracts, the term "Contractor" in this paragraph (d) shall include subcontractors.

(e) No payment shall be made by the Government under this clause unless its amount shall first have been certified to be just and reasonable by the Administrator or

best copy available

the Administrator's representative designated for this purpose. The rights and obligations of the parties under this clause shall survive the termination, expiration, or completion of this contract. The Government may discharge its liability under this paragraph (e) by making payments to the Contractor or directly to parties to whom the Contractor may be liable.

(f) (1) With the Contracting Officer's prior written approval, the Contractor may include in any subcontract under this contract the same provisions as those in this clause, whereby the Contractor shall indemnify the subcontractor against any risk defined in this contract as unusually hazardous. Such a subcontract shall provide the same rights and duties, and the same provisions for notice, furnishing of evidence or proof, and the like, between the Contractor and the subcontractor as are established by this clause. The Contracting Officer may also approve similar indemnification of subcontractors at any tier upon the same terms and conditions.

(2) Subcontracts providing for indemnification within the purview of this clause shall provide for the prompt notification to the Contracting Officer of any claim or action against, or of any loss by, the subcontractor covered by this clause and shall entitle the Government, at its election, to control or assist in the settlement or defense of any such claim or action. The Government shall indemnify the Contractor with respect to its obligations to subcontractors under subcontract provisions thus approved by the Contracting Officer.

(3) The Government may discharge its obligations under this paragraph (f) by making payments directly to subcontractors or to parties to whom the subcontractor may be liable.

(g) If insurance coverage or other financial protection approved by the Administrator is reduced, the Government's liability under this clause shall not be increased by reason of such reduction.

(h) The Contractor shall (1) promptly notify the Contracting Officer of any claim or action against, or of any loss by, the Contractor or any subcontractor that reasonably may be expected to involve indemnification under this clause, (2) furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form required by the Government, and (3) immediately furnish to the Government copies of all pertinent papers received by the Contractor. The Government may direct, control, or assist in the settlement or defense of any such claim or action. The Contractor shall comply with the Government's directions and execute any authorizations required in regard to that settlement or defense.

(End of clause)

ALTERNATE I
(MARCH 1989)

If the contract is a cost-reimbursement contract, substitute the following paragraphs (h) and (i) for paragraph (h) of the basic clause:

(h) In addition to the Contractor's responsibilities under the Insurance--Liability to Third Persons clause of this contract, which are hereby made applicable to claims under this clause, the Contractor shall (1) promptly notify the Contracting Officer of any claim or action against, or of any loss by, the Contractor or any subcontractor that reasonably may be expected to involve indemnification under this clause, (2) furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form required by the Government, and (3) to the extent required by the Government, permit and authorize the Government to direct, control or assist in the settlement or defense of any such claim or action. The cost of insurance (including self-insurance) covering a risk defined in this contract as unusually hazardous shall not be reimbursed either as a direct or indirect cost except to the extent that such insurance has been required or approved under the Insurance--Liability to Third Persons clause.

(i) The limitation of cost and Limitation of Government's Obligation clauses of this contract do not apply to the Government's obligations under this clause. These obligations shall be excepted from the release required under the allowable costand payment clause of this contract.

18-52.250-71 Indemnification Under Public Law 85-804--Cost-Reimbursement Contracts.

Insert the following clause as prescribed in 18-50.403-370(a)(2):

INDEMNIFICATION UNDER PUBLIC LAW 85-804--COST-REIMBURSEMENT CONTRACT (OCTOBER 1988)

(a) Pursuant to Public Law 85-804 (50 U.S.C. 1431-1435) and Executive Order 10789, as amended, and notwithstanding any other provision of this contract, but subject to the following paragraphs of this clause, the Government shall hold harmless and indemnify the Contractor against:

(1) claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death, personal injury, or loss of, damage to, or loss of use of property;

(2) loss of or damage to property of the Contractor, and loss of use of such property but excluding loss of profit; and

(3) loss of, damage to, or loss of use of property of the Government but excluding loss of profit; to the extent that such a claim, loss or damage (A) arises out of or results from a risk defined in this contract to be unusually hazardous in nature and (B) is not compensated by insurance or otherwise. Any such claim, loss or damage within deductible amounts of Contractor's insurance shall not be covered under this clause.

(b) (1) The Government shall not be liable for:

(i) claims by the United States (other than those arising through subrogation) against the Contractor;

(ii) losses affecting the property of such Contractor; when the claim, loss or damage was caused by the willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or principal officials. (For purposes of this clause, the term "principal officials" means any of the Contractor's managers, superintendents, or other equivalent representatives who have supervision or direction of:

(A) all or substantially all of the Contractor's business, or

(B) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or

(C) a separate and complete major industrial operation in connection with the performance of this contract.); or

(iii) loss of, damage to, or loss of use of property of the Contractor unless the total amount for such loss, damage and loss of use, excluding loss of profit, is in excess of the Contractor's insurance or $500,000,000. Specifically, the Government shall only be liable for such loss, damage and loss of use in excess of the Contractor's insurance or $500,000,000, whichever is the larger amount.

(2) The Contractor shall not be indemnified under this clause for liability assumed under any contract or agreement unless such assumption of liability has been specifically authorized by the Administrator and approved by the Contracting Officer. When the Government has assumed liability for subcontracts, the term "Contractor" in this paragraph (b) shall include subcontractors.

(c) No payment shall be made by the Government under this clause unless the amount thereof shall first have been certified to be just and reasonable by the Administrator or his representative designated for such purpose. The rights and obligations of the parties under this clause shall survive the termination, expiration, or completion of this contract. The Government may discharge its liability under this paragraph by making payments to the Contractor or directly to parties to whom the Contractor may be liable.

(d) With the prior written approval of the Contracting Officer, the Contractor may include in any subcontract under this contract, the same provisions as those in this clause, whereby the Contractor shall indemnify the subcontractor against any risk defined in this contract to be unusually hazardous. Such a subcontract shall provide the same rights and duties, and the same provisions for notice, furnishing of evidence or proof, and the like, between the Contractor and the subcontractor as are established by this clause. The Contracting Officer may also approve similar indemnification of subcontractors at any tier upon the same terms and conditions. Subcontracts providing for indemnification within the purview of this clause shall provide for the prompt notification to the Contracting Officer of any claim or action against, or of any loss by, the subcontractor which is covered by this clause, and shall entitle the Government at its election, to control or assist in the settlement or defense of any such claim or action. The Government shall indemnify the Contractor with respect to his obligations to subcontractors under subcontract provisions thus approved by the Contracting Officer. The Government may discharge its obligations under this paragraph by making payments directly to subcontractors or to parties to whom the subcontractor may be liable.

(e) If insurance coverage or other financial protection program approved by the Administrator is reduced, the liability of the Government under this clause shall not be increased by reason of such reduction.

(f) In addition to the Contractor's responsibilities under the "Insurance--Liability to Third Persons" clause of this contract, which are hereby made applicable to claims under this clause, the Contractor shall (i) promptly notify the Contracting Officer of any claim or action against, or of any loss by, the Contractor or any subcontractor which reasonably may be expected to involve indemnification under this clause, (ii) furnish evidence or proof of any claim, loss or damage covered by this clause in the manner and form required by the Government, and (iii) to the extent required by the Government, permit and authorize the Government to direct, control or assist in the settlement or defense of any such claim or action. The cost of insurance (including self-insurance), covering a risk defined in this contract as unusually hazardous shall not be reimbursed either as a direct or indirect cost except to the extent that such insurance has been required or approved under the "Insurance--Liability to Third Persons" clause hereof.

(g) "Limitation of Cost" and "Limitation of Government's Obligation" clauses of this contract do not apply to the Government's obligations under this clause. Such obligations shall be excepted from the release required under the "Allowable Cost" clause of this contract.

(End of clause)

18-52.250-72 Space Activity--Unusually Hazardous Risks.

As prescribed in 18-50.403-3(b), insert the following clause:

SPACE ACTIVITY--
UNUSUALLY HAZARDOUS RISKS
(MARCH 1989)

The risks for which indemnification is authorized as "unusually hazardous" under the Indemnification Under Pub. L. 85-804--NASA Contracts clause of this contract are solely those resulting from or arising out of the use or performance of the following products or services in NASA's space activities (for this purpose, their use or performance begins only when they are provided to the U.S. Government at a U.S. Government installation for one or more Shuttle launches and are actually used or performed in NASA's space activities):

(a) Provision of Space Transportation System (STS) and cargo flight elements or components.

(b) Provision of STS and cargo ground support equipment or components.

(c) Provision of STS and cargo ground control facilities and services for their operation.

(d) Repair, modification, overhaul, and other support and services relating to the STS, its cargo, and other elements used in NASA's space activities.

(End of clause)

18-52.252-70 Compliance with NASA FAR Supplement.

As prescribed in 18-52.107-70, insert the following clause:

COMPLIANCE WITH NASA FAR
SUPPLEMENT
(MARCH 1989)

Any statements in this contract requiring compliance with specific provisions of the Federal Acquisition Regulation (e.g., Subpart 45.5) shall be construed to require compliance also with any corresponding implementing or supplementing provisions in the NASA FAR Supplement in effect on the date of this contract.

(End of clause)

PART 18-53

FORMS

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18-53.303-NRC-313	Nuclear Regulatory Commission Form NRC 313, Application for Material License.

PART 18-53
FORMS

SUBPART 18-53.1
GENERAL

18-53.100 Scope of subpart.

This subpart contains requirements and information generally applicable to the forms prescribed in this Regulation.

18-53.101 Requirements for use of forms.

The requirements for use of the forms prescribed or referenced in this part are contained in Parts 18-1 through 18-51, where the subject matter applicable to each form is addressed. The specific location of each form's prescription is identified in Subpart 18-53.2.

18-53.102 Current editions.

The form prescriptions in Subpart 18-53.2 and the illustrations in Subpart 18-53.3 contain current editions, unless otherwise noted. Contracting officers shall use the current editions unless otherwise authorized under this regulation.

18-53.103 Exceptions.

Alteration of any NASA or NASA-adopted form prescribed by this regulation is prohibited unless prior approval has been obtained from the NASA Forms Officer (Code NTD-1) (through the Installation Forms Manager), who will coordinate the request with the Office of Procurement, Code H. Use for the same purpose of any form other than one prescribed by this regulation requires prior approval of the cognizant Code H Division. Requests for exceptions to standard or optional forms, as prescribed in FAR 53.103, shall be forwarded through the Installation Forms Manager and the NASA Forms Officer to the Procurement Policy Division, Code HP, which will take the appropriate actions in FAR 53.103.

18-53.104 Overprinting.

NASA and other forms may be overprinted with names, addresses, and other uniform entries that are consistent with the purpose of the form and that do not alter the form in any other way. Exception approval for overprinting is not needed.

18-53.105 Computer preparation.

NASA and NASA-adopted forms prescribed by this regulation may be adapted for computer preparation by following the exception procedures in 18-53.103. (See FAR 53.105 regarding standard and optional forms.) Such forms should correspond exactly with all other specifications pertaining to them, including overall size, wording, and arrangement.

18-53.106 Special construction and printing.

Contracting offices may request exceptions to NASA and NASA-adopted and standard and optional forms for special construction and printing by following the procedures of 18-53.103.

18-53.107 Obtaining forms.

(a) NASA installations and offices may obtain forms prescribed in the FAR or in this Regulation from Goddard Space Flight Center, Code 853.9. Orders should be placed on a NASA Form 2, Request for Blank Forms, Publications and Issuances, in accordance with NHB 1420.2, and the forms obtained from GSFC as required by installation or office.

(b) Contracting officers, at the time of contract award, shall ensure that contractors are notified of or are otherwise aware of (1) the procedures for obtaining NASA forms and (2) the source within the installation of forms required for performance under the contract.

18-53.108 Recommendations concerning forms.

Coordination with the FAR Secretariat, as specified in FAR 53.108, is the responsibility of the Procurement Policy Division, Code HP.

SUBPART 18-53.2
PRESCRIPTION OF FORMS

18-53.200 Scope of subpart.

This subpart summarizes the prescriptions of NASA forms and other forms adopted by NASA for use in acquisition. The subpart is arranged by subject matter, in the same order as, and keyed to, the parts of this regulation in which the form usage requirements are addressed. (See FAR 53.200 for an example.)

18-53.204 Administrative matters.

18-53.204-70 General (NASA Forms 507, 507A, 533M, 533P, 533Q, 667, 1098, 1356, 1611, and 1612 and DD Form 1593).

(a) **NASA Form 507, Individual Procurement Action Report.** NASA Form 507, prescribed at 18-4.671-4, shall be used to provide acquisition records and statistics.

(b) **NASA Form 507A, Individual Procurement Action Report Supplement.** NASA Form 507A, prescribed at 18-4.671-4, shall be used to provide additional data on procurement actions resulting from solicitations issued after March 30, 1985.

(c) **NASA Form 533M, Monthly Contractor Financial Management Report.** NASA Form prescribed at 18-4.675, shall be used when financial management reporting is required.

(d) **NASA Form 533P, Monthly Contractor Financial Management Performance Analysis Report.** NASA Form 533P, prescribed at 18-4.675, shall be used when monthly performance analysis reports are required.

(e) **NASA Form 533Q, Quarterly Contractor Financial Management Report.** NASA Form 533Q, prescribed at 18-4.675, shall be used when quarterly cost projection reports are required.

(f) **NASA Form 667, Report on NASA Subcontracts.** NASA Form 667, prescribed at 18-4.672, shall be used by contractors to submit information to NASA on each subcontract or subcontract modification over $10,000.

(g) **NASA Form 1098, Checklist for Contract Award File Content.** NASA Form 1098, prescribed at 18-4.803-71, shall be used as a guide in compiling contract files and shall accompany contracts and supplemental agreements submitted to Headquarters for approval.

(h) **NASA Form 1356, C.A.S.E. Report on College and University Projects.** NASA

Form 1356, prescribed at 18-4.7202, shall be used to report information applicable to colleges and universities.

(i) **NASA Form 1611, Contract Completion Statement.** NASA Form 1611, prescribed at 18-4.804-2, shall be used for closeout of contract files the by an office other than the one administering contract.

(j) **NASA Form 1612, Contract Closeout Checklist.** NASA Form 1612, prescribed at 18-4.804-5, shall be used for contract closeout when the NASA contracting office retains contract administration.

(k) **DOD Form 1593, Contract Administration Completion Record.** DD Form 1593, prescribed at 18-4.804-5, shall be used for closeout when the NASA contracting office retains contract administration.

18-53.207 Acquisition planning (NASA Forms 1451, 1452).

(a) **NASA Form 1451, Request for Procurement Plan Approval.** NASA Form 1451, prescribed at 18-7.170-1(a), shall be used in preparing procurement plans requiring approval by Headquarters.

(b) **NASA Form 1452, Signature Page (Installation).** NASA Form 1452, prescribed at 18-6.304(a) and 18-7.170-1(a), shall be used in obtaining installation-level signatures required by 18-6.304 and 18-7.103.

18-53.208 Required sources of supplies and services.

18-53.208-70 Other Government sources (Standard Form 1080, Air Force Form 858, Department of Energy Form 5400.3, Nuclear Regulatory Commission Form 313).

(a) **Standard Form 1080, Voucher for Transfers Between Appropriations and/or Funds (Disbursement).** Standard Form 1080, prescribed at 18-8.002-74(e), shall be used to reimburse the Air Force for shipments of propellants.

(b) **Air Force Form 858, Forecast of Requirements (Missile Propellants and Pressurants).** AF 858, prescribed at 18-8.002-74(f), shall be used to report periodic estimated requirements for missile propellants and related items to the Department of the Air Force.

(c) **Department of Energy Form 5400.3, Isotope Order Blank.** DOE Form 5400.3, prescribed at 18-8.002-72(a), shall be used for the procurement of radioisotopes.

(d) **Nuclear Regulatory Commission Form 313, Application for Material License.** NRC Form 313, prescribed at 18-8.002-72(a), shall be used to apply for a NRC license for the procurement of radioisotopes.

18-53.215 Contracting by negotiation.

18-53.215-2 Price negotiation (NASA Form 634).

NASA Form 634, Structured Approach--Profit/Fee Objective. NASA Form 634, prescribed at 18-15.905, shall be used for determining the profit or fee objective by the structured approach.

18-53.216 Types of contracts.

18-53.216-70 Assignees under cost-reimbursement contracts (NASA Forms 778, 779, 780, 781).

(a) **NASA Form 778, Contractor's Release.** NASA Form 778, prescribed at 18-16.370, shall be used for obtaining a release from the contractor.

(b) **NASA Form 779, Assignee's Release.** NASA Form 779, prescribed at 18-16.370, shall be used for obtaining a release from each assignee.

(c) **NASA Form 780, Contractor's Assignment of Refunds, Rebates, Credits, and Other Amounts.** NASA Form 780, prescribed at 18-16.370, shall be used in obtaining any refunds, rebates, credits, or other amounts from the contractor.

(d) **NASA Form 781, Assignee's Assignment of Refunds, Rebates, Credits, and Other Amounts.** NASA Form 781, prescribed at 18-16.370, shall be used in obtaining any refunds, rebates, credits, or other amounts due from each assignee.

18-53.217 Special contracting methods (NASA Form 523).

NASA Form 523, NASA-Defense Purchase Request. NASA Form 523, prescribed at 18-17.70, shall be used for requesting procurement of supplies or services from all activities of the Military Departments.

18-53.227 Patents, data, and copyrights (NASA Form 1626)

NASA Form 1626, Report Documentation Page. NASA Form 1626, prescribed at 18-27.474(b)(2)(i)(D), shall be submitted with contractors' reports.

18-53.232 Contract financing (Standard Form 272, 272A).

(a) **Standard Form 272, Federal Cash Transactions Report**, prescribed at 18-32.406-70, will be submitted by non-profit organizations that receive advance funding.

(b) **Standard Form 272-A, Federal Cash Transactions Report Continuation**, prescribed at 18-32.406-70, is used in conjunction with Standard Form 272 when reporting more than one contract.

18-53.242 Contract administration.

18-53.242-70 Delegation (NASA Forms 1430, 1430A, 1431, 1432, 1433).

(a) **NASA Form 1430, Letter of Contract Administration Delegation, General.** NASA Form 1430, prescribed at 18-42.202-70(a)(4), shall be used to delegate and redelegate contract administration functions and to amend existing contract administration delegations.

(b) **NASA Form 1430A, Letter of Contract Administration Delegation, Special Instructions.** NASA Form 1430A, prescribed at 18-42.202-70(a)(4), shall be used to supplement NASA Form 1430 when special instructions are necessary.

(c) **NASA Form 1431, Letter of Acceptance of Contract Administration Delegation.** NASA Form 1431, prescribed at 18-42.202-70(a)(8), shall be used in conjunction with NASA Form 1430 to record receipt and acceptance of delegation by other agencies.

(d) **NASA Form 1432, Letter of Contract Administration Delegation, Termination.** NASA Form 1432, prescribed at 18-42.202(a)(2)(i), shall be used to delegate and redelegate termination functions and to amend existing termination delegations.

(e) **NASA Form 1433, Letter of Audit Delegation.** NASA Form 1433, prescribed at 18-42.202-71(c), shall be used to delegate and redelegate audit functions and to amend existing audit delegations.

(f) **NASA Form 1634, Contracting Officer Technical Representative (COTR) Delegation.** NASA Form 1634, prescribed at

18-42.270(b), shall be used to designate a COTR for a particular contract.

18-53.242-71 Administrative service request (NASA Form 1434).

NASA Form 1434, Letter of Request for Pricing-Audit-Technical Evaluation Services. NASA Form 1434, prescribed at 18-42.202-70(f), shall be used to request contract administration and audit services incident to preaward of a contract but exclusive of preaward surveys.

18-53.242-72 Notifications (NASA Form 456).

NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved. NASA Form 456, prescribed at 18-42.803, will be used by the auditor and contracting officer to notify the contractor of any suspended and/or disallowed contract costs.

18-53.245 Property (NASA Form 1018, Department of Defense Form 1342, and Department of Defense Form 1419).

(a) **NASA Form 1018, Report of Government-Owned/Contractor-Held Property.** NASA Form 1018, prescribed at 18-45.505-14(d), shall be used by contractors for reporting Government-owned property.

(b) **Department of Defense Form 1342, DOD Property Record.** DD Form 1342, prescribed at 18-45.505-670, shall be used by contractors for reporting NASA-furnished or contractor-acquired centrally reportable equipment.

(c) **Department of Defense Form 1419, DOD Industrial Plant Equipment Requisition.** DD Form 1419, prescribed by the clause at 18-52.245-70, shall be used by contractors to list requirements for centrally reportable items for screening of existing Government inventories.

18-53.246 Quality Assurance (Department of Defense Form 250, Department of Defense Form 250c).

(a) **Department of Defense Form 250, Material Inspection and Receiving Report.** DD Form 250, prescribed at 18-46.670, shall be used to document procurement quality assurance, acceptance of supplies and services, and shipments.

(b) **Department of Defense Form 250c, Material Inspection and Receiving Report-Continuation Sheet.** DD Form 250c, prescribed at 18-46.670, shall be used to continue documentation of information from DD Form 250.

18-53.249 Termination of contracts (NASA Forms 1412, 1413).

(a) **NASA Form 1412, Termination Authority.** NASA Form 1412, prescribed at 18-49.101-71, shall be used for initiating action to terminate a contract for either default or convenience of the Government.

(b) **NASA Form 1413, Termination Docket Checklist.** NASA Form 1413, prescribed at 18-49.101-71, shall be used to ensure adequacy of termination records.

SUBPART 18-53.3
ILLUSTRATIONS OF FORMS

18-53.300 Scope of subpart.

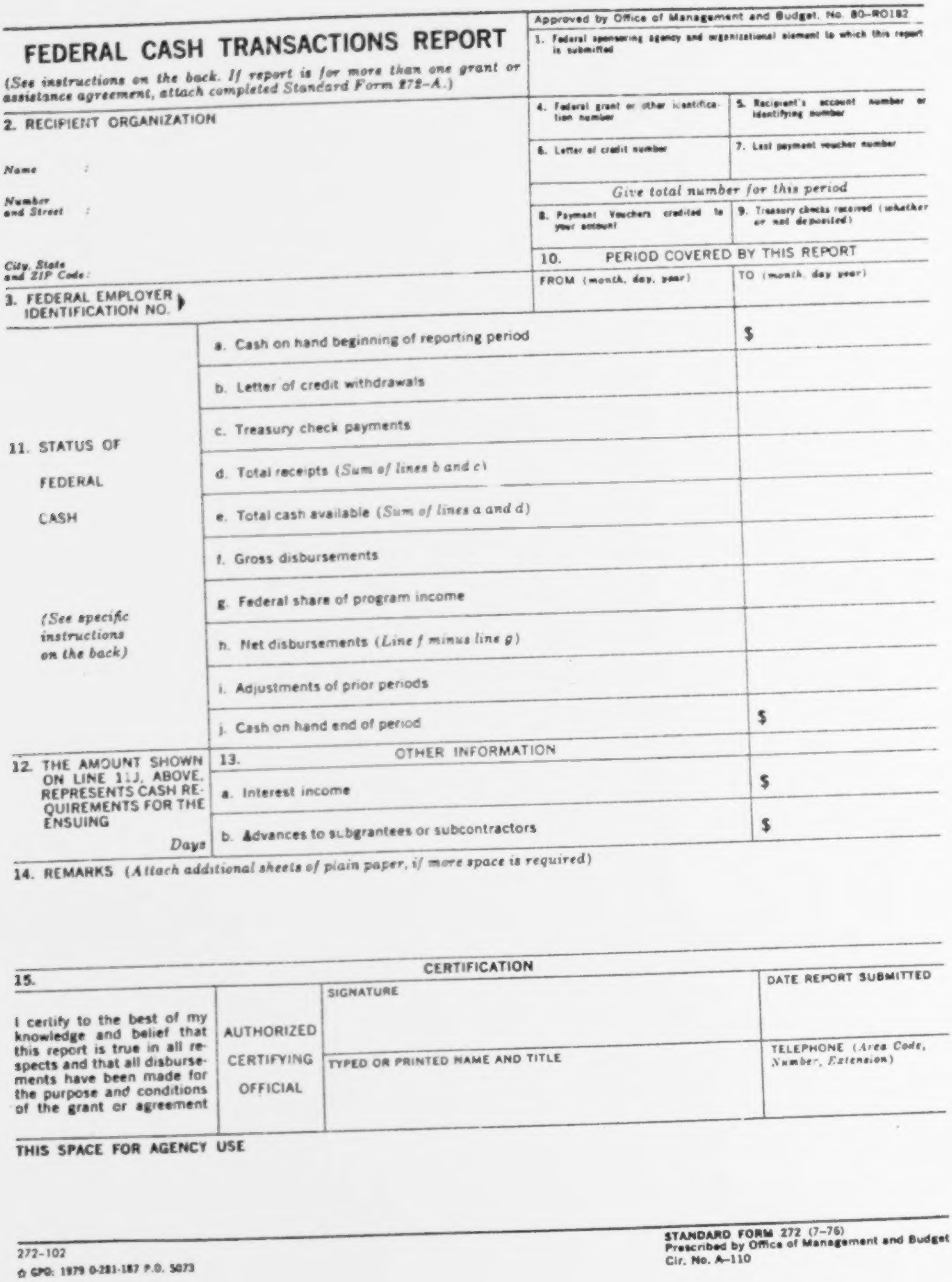
This subpart contains illustrations of NASA forms and other forms used by NASA in acquisitions and not prescribed in the FAR.

18-53.301 Standard forms.

This section illustrates standard forms (SF's) specified by this Regulation for use in acquisitions.

18-53.303 Agency forms.

This section illustrates NASA and other agency forms specified by this Regulation for use in acquisitions. The other agency forms are arranged numerically by agency following the NASA forms.



FEDERAL CASH TRANSACTIONS REPORT

(See instructions on the back. If report is for more than one grant or assistance agreement, attach completed Standard Form 272-A.)

Approved by Office of Management and Budget, No. 80-RO182

1. Federal sponsoring agency and organizational element to which this report is submitted

2. RECIPIENT ORGANIZATION

Name :

Number and Street :

City, State and ZIP Code :

3. FEDERAL EMPLOYER IDENTIFICATION NO. ▸

4. Federal grant or other identification number

5. Recipient's account number or identifying number

6. Letter of credit number

7. Last payment voucher number

Give total number for this period

8. Payment Vouchers credited to your account

9. Treasury checks received (whether or not deposited)

10. PERIOD COVERED BY THIS REPORT

FROM (month, day, year)

TO (month, day year)

11. STATUS OF FEDERAL CASH	a. Cash on hand beginning of reporting period	$
	b. Letter of credit withdrawals	
	c. Treasury check payments	
	d. Total receipts *(Sum of lines b and c)*	
	e. Total cash available *(Sum of lines a and d)*	
	f. Gross disbursements	
(See specific instructions on the back)	g. Federal share of program income	
	h. Net disbursements *(Line f minus line g)*	
	i. Adjustments of prior periods	
	j. Cash on hand end of period	$
12. THE AMOUNT SHOWN ON LINE 11J, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING *Days*	13. OTHER INFORMATION	
	a. Interest income	$
	b. Advances to subgrantees or subcontractors	$

14. REMARKS *(Attach additional sheets of plain paper, if more space is required)*

15. CERTIFICATION

I certify to the best of my knowledge and belief that this report is true in all respects and that all disbursements have been made for the purpose and conditions of the grant or agreement	AUTHORIZED CERTIFYING OFFICIAL	SIGNATURE	DATE REPORT SUBMITTED
		TYPED OR PRINTED NAME AND TITLE	TELEPHONE *(Area Code, Number, Extension)*

THIS SPACE FOR AGENCY USE

272-102

✩ GPO: 1979 0-281-187 P.O. 5073

STANDARD FORM 272 (7-76)
Prescribed by Office of Management and Budget
Cir. No. A-110

INSTRUCTIONS

Please type or print legibly. Items 1, 2, 8, 9, 10, 11d, 11e, 11h, and 15 are self explanatory, specific instructions for other items are as follows:

Item	*Entry*
3	Enter employer identification number assigned by the U.S. Internal Revenue Service or the FICE (institution) code. If this report covers more than one grant or other agreement, leave items 4 and 5 blank and provide the information on Standard Form 272–A, Report of Federal Cash Transactions—Continued; otherwise:
4	Enter Federal grant number, agreement number, or other identifying numbers if requested by sponsoring agency.
5	This space reserved for an account number or other identifying number that may be assigned by the recipient.
6	Enter the letter of credit number that applies to this report. If all advances were made by Treasury check, enter "NA" for not applicable and leave items 7 and 8 blank.
7	Enter the voucher number of the last letter-of-credit payment voucher (Form TUS 5401) that was credited to your account.
11a	Enter the total amount of Federal cash on hand at the beginning of the reporting period including all of the Federal funds on deposit, imprest funds, and undeposited Treasury checks.
11b	Enter total amount of Federal funds received through payment vouchers (Form TUS 5401) that were credited to your account during the reporting period.
11c	Enter the total amount of all Federal funds received during the reporting period through Treasury checks, whether or not deposited.
11f	Enter the total Federal cash disbursements, made during the reporting period, including cash received as program income. Disbursements as used here also include the amount of advances and payments less refunds to subgrantees or contractors, the gross amount of direct salaries and wages, including the employee's share of benefits if treated as a direct cost, interdepartmental charges for supplies and services, and the amount to which the recipient is entitled for indirect costs.
11g	Enter the Federal share of program income that was required to be used on the project or program by the terms of the grant or agreement.
11i	Enter the amount of all adjustments pertaining to prior periods affecting the ending balance that have not been included in any lines above. Identify each grant or agreement for which adjustment was made, and enter an explanation for each adjustment under "Remarks." Use plain sheets of paper if additional space is required.
11j	Enter the total amount of Federal cash on hand at the end of the reporting period. This amount should include all funds on deposit, imprest funds, and undeposited funds (line e, less line h, plus or minus line i).
12	Enter the estimated number of days until the cash on hand, shown on line 11j, will be expended. If more than three days cash reqirements are on hand, provide an explanation under "Remarks" as to why the drawdown was made prematurely, or other reasons for the excess cash. The requirement for the explanation does not apply to prescheduled or automatic advances.
13a	Enter the amount of interest earned on advances of Federal funds but not remitted to the Federal agency. If this includes any amount earned and not remitted to the Federal sponsoring agency for over 60 days, explain under "Remarks." Do not report interest earned on advances to States.
13b	Enter amount of advance to secondary recipients included in item 11h.
14	In addition to providing explanations as required above, give additional explanation deemed necessary by the recipient and for information required by the Federal sponsoring agency in compliance with governing legislation. Use plain sheets of paper if additional space is required.

☆ GPO: 1979 0-281-187 P.O. 5073

STANDARD FORM 272 (BACK) (7–76)

FEDERAL CASH TRANSACTIONS REPORT
CONTINUATION

(This form is completed and attached to Standard Form 272 only when reporting more than one grant or assistance agreement.)

Approved by Office of Management and Budget No. 80-RO182

1. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED

2. RECIPIENT ORGANIZATION *(Give name only as shown in item 1, SF 272)*

3. PERIOD COVERED BY THIS REPORT *(As shown on SF 272)*

FROM *(month, day, year)* TO *(Month, day, year)*

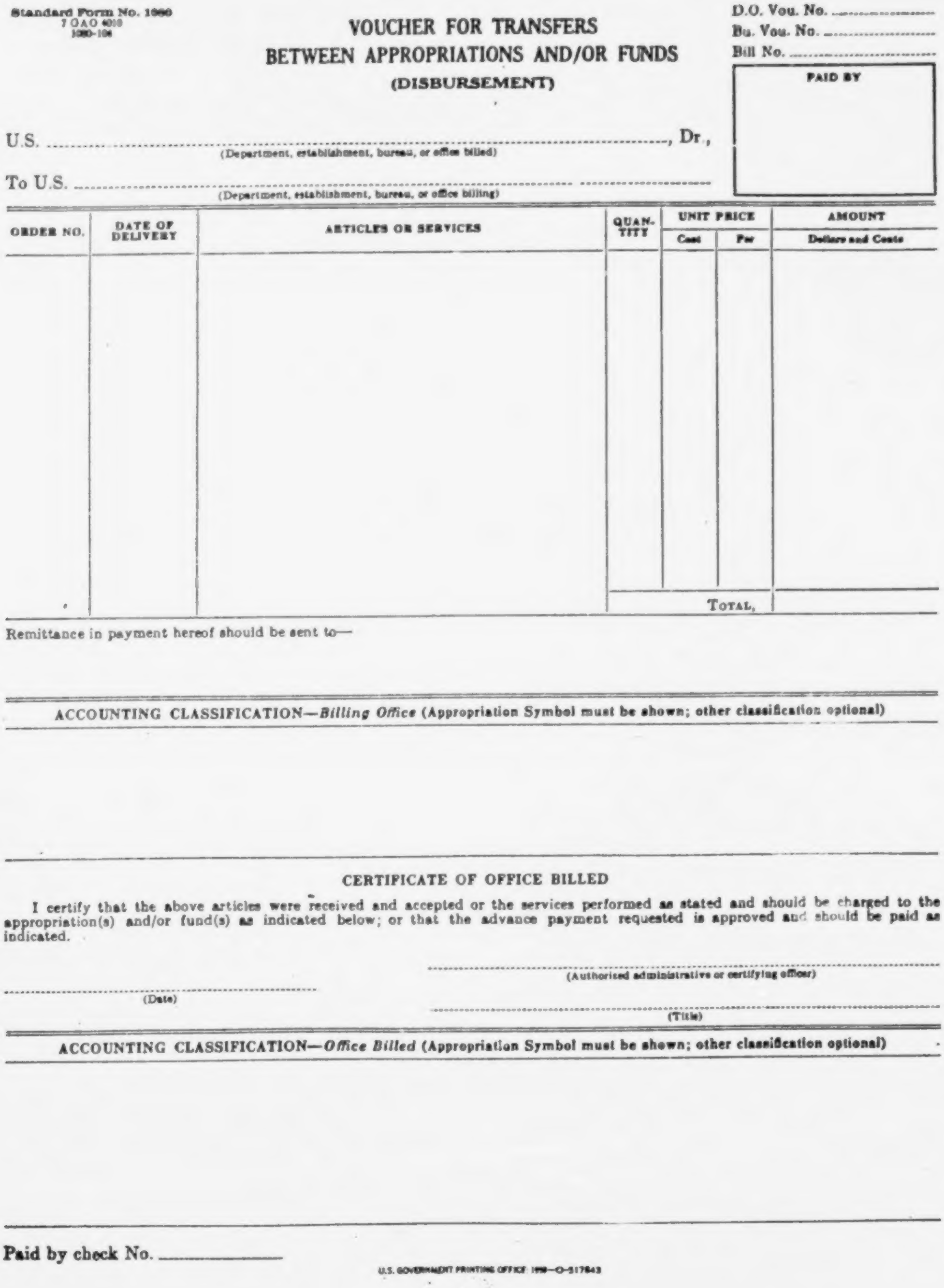
4. List information below for each grant or other agreement covered by this report. Use additional forms if more space is required.

FEDERAL GRANT OR OTHER IDENTIFICATION NUMBER *(Show a subdivision by other identifying numbers if required by the Federal Sponsoring Agency)* (a)	RECIPIENT ACCOUNT NUMBER OR OTHER IDENTIFYING NUMBER (b)	FEDERAL SHARE OF NET DISBURSEMENTS	
		NET DISBURSEMENTS *(Gross disbursements less program income received)* FOR REPORTING PERIOD (c)	CUMULATIVE NET DISBURSEMENTS (d)
		$	$
5. TOTALS *(Should correspond with amounts shown on SF 272 as follows: column (c) the same as line 11h; column (d) the sum of lines 11h and 11i of this SF 272 and cumulative disbursements shown on last report. Attach explanation of any differences.)*		$	$

272-201

☆ GPO : 1976 O - 580-464(262-1)

STANDARD FORM 272-A (9-76)
Prescribed by Office of Management and Budget
CIR. NO. A-110



Standard Form No. 1080
7 GAO 4010
1080-106

VOUCHER FOR TRANSFERS
BETWEEN APPROPRIATIONS AND/OR FUNDS
(DISBURSEMENT)

D.O. Vou. No. ....
Bu. Vou. No. ....
Bill No. ....

PAID BY

U.S. ...., Dr.,
(Department, establishment, bureau, or office billed)

To U.S. ....
(Department, establishment, bureau, or office billing)

ORDER NO.	DATE OF DELIVERY	ARTICLES OR SERVICES	QUANTITY	UNIT PRICE		AMOUNT
				Cost	Per	Dollars and Cents
			TOTAL,			

Remittance in payment hereof should be sent to—

ACCOUNTING CLASSIFICATION—*Billing Office* (Appropriation Symbol must be shown; other classification optional)

CERTIFICATE OF OFFICE BILLED

I certify that the above articles were received and accepted or the services performed as stated and should be charged to the appropriation(s) and/or fund(s) as indicated below; or that the advance payment requested is approved and should be paid as indicated.

....
(Authorized administrative or certifying officer)

....
(Date)

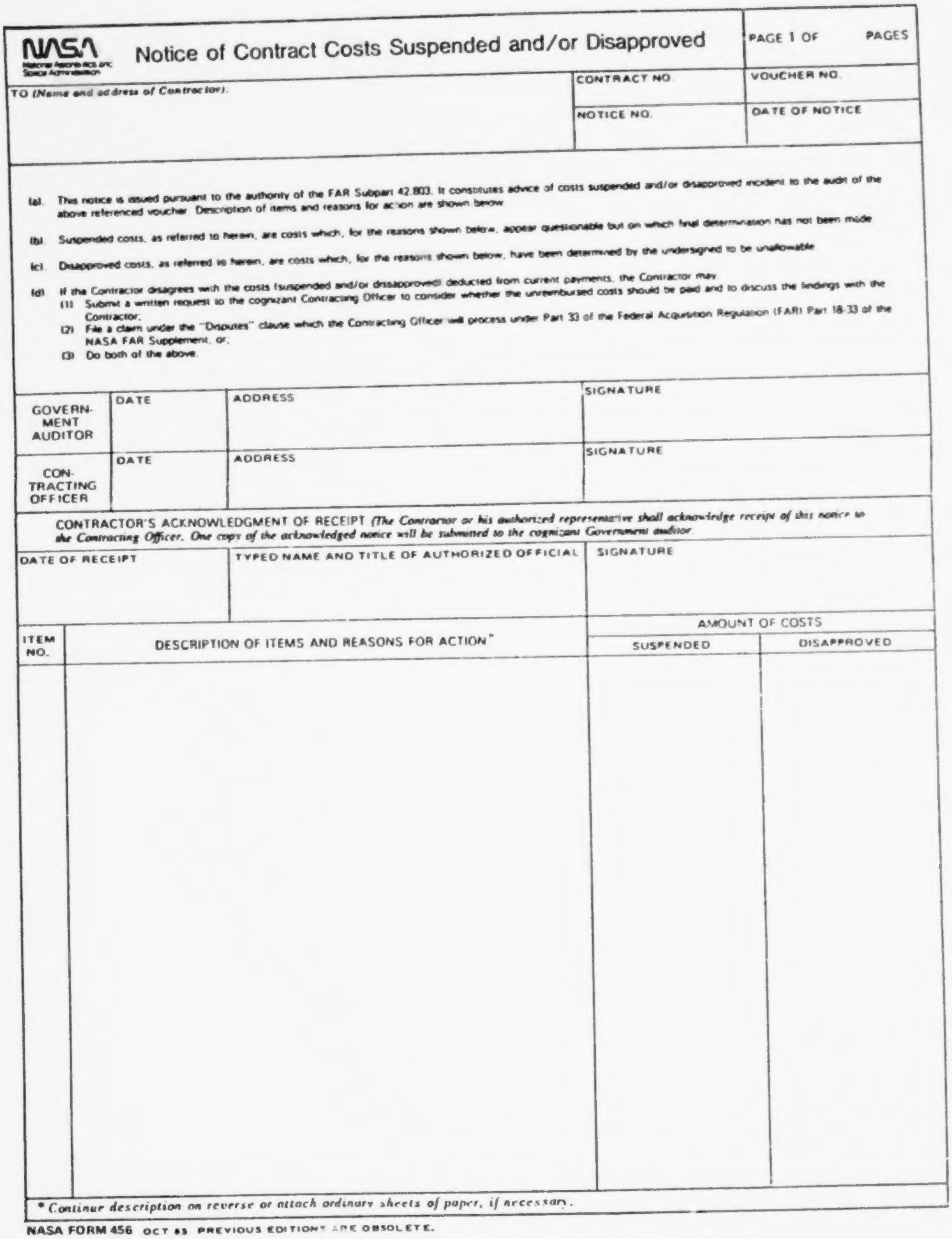
....
(Title)

ACCOUNTING CLASSIFICATION—*Office Billed* (Appropriation Symbol must be shown; other classification optional)

Paid by check No. ....

U.S. GOVERNMENT PRINTING OFFICE: [illegible]—O-517843

FORMS



NASA Notice of Contract Costs Suspended and/or Disapproved			PAGE 1 OF PAGES
TO *(Name and address of Contractor)*:		CONTRACT NO.	VOUCHER NO.
		NOTICE NO.	DATE OF NOTICE

(a). This notice is issued pursuant to the authority of the FAR Subpart 42.803. It constitutes advice of costs suspended and/or disapproved incident to the audit of the above referenced voucher. Description of items and reasons for action are shown below.

(b). Suspended costs, as referred to herein, are costs which, for the reasons shown below, appear questionable but on which final determination has not been made.

(c). Disapproved costs, as referred to herein, are costs which, for the reasons shown below, have been determined by the undersigned to be unallowable.

(d). If the Contractor disagrees with the costs (suspended and/or disapproved) deducted from current payments, the Contractor may:
  - (1) Submit a written request to the cognizant Contracting Officer to consider whether the unreimbursed costs should be paid and to discuss the findings with the Contractor;
  - (2) File a claim under the "Disputes" clause which the Contracting Officer will process under Part 33 of the Federal Acquisition Regulation (FAR) Part 18-33 of the NASA FAR Supplement, or;
  - (3) Do both of the above.

GOVERNMENT AUDITOR	DATE	ADDRESS	SIGNATURE
CONTRACTING OFFICER	DATE	ADDRESS	SIGNATURE

CONTRACTOR'S ACKNOWLEDGMENT OF RECEIPT *(The Contractor or his authorized representative shall acknowledge receipt of this notice to the Contracting Officer. One copy of the acknowledged notice will be submitted to the cognizant Government auditor.*

DATE OF RECEIPT	TYPED NAME AND TITLE OF AUTHORIZED OFFICIAL	SIGNATURE

ITEM NO.	DESCRIPTION OF ITEMS AND REASONS FOR ACTION*	AMOUNT OF COSTS	
		SUSPENDED	DISAPPROVED

** Continue description on reverse or attach ordinary sheets of paper, if necessary.*

NASA FORM 456 OCT 83 PREVIOUS EDITIONS ARE OBSOLETE.

The next page is 53-13

FORMS

NASA
National Aeronautics and Space Administration

Individual Procurement Action Report

1. TYPE OF RECORD *(N-New; C-Correction)*
6. CIC NO.
7. CONTRACTOR NAME *(Not to exceed 29 pos., incl. spaces)*
2. CONTRACT/GRANT NO.
8. CONTRACTOR DIVISION *(20 positions)*
3. MODIFICATION NO.
9. CONTRACTOR ADDRESS *(City - 24 pos.)* STATE *(2 pos.)*
4. ACCOUNTING INSTALLATION NO.
10. PLACE OF PERFORMANCE *(City - 24 pos.)*
11. STATE *(2 pos.)* ZIP CODE
5. PROCURING INSTALLATION NO
12. CONTRACT/MOD. DATE *(YYMMDD)*
13. COMPLETION DATE *(YYMMDD)*
14. PROCUREMENT PLACEMENT CODE *(See Matrix)* ______

15. KIND OF ACTION ______

01 New Letter Contract
03 New Basic Contract
05 Intergovernmental
06 Grant
21 Agreement

23 Order Under Mandatory GSA, FSS
24 Order Under Optional GSA, FSS.
25 Order Under Indefinite Delivery Contract
26 Order Under BOA

MODIFICATION

07 New Work Modification
08 Supplemental Agreement
09 Change Order

10 S/A Definitizing Change Order
11 Administrative Increment Funding
12 Termination for Default

3 Termination for Convenience
4 Definitizing Letter Contract
5 Exercising Priced Option

16. TYPE OF CONTRACTOR

Business
01 8(a) Disadvantaged
03 Disadvantaged Direct
04 Not Disadvantaged

Nonprofit Institution
05 Educational
06 Hospital
08 Other Nonprofit

State/Local Gov't.
09 Educational
10 Hospital
12 Other State/Local Gov't.

17. AWARD OUTSIDE U.S.
L. Foreign Firm
M. Domestic Firm

18. EXTENT OF COMPETITION ______

Competed
2 Sealed Bid
3 Competed Action - SEB
4 Other Competed Action

Not Competed
5 Follow-on to Competed Action
6 Other Not Competed

19. TOTAL PRICE OR EST. COST *(To nearest dollar) (Exclude option dollars)* ______
20. TOTAL PROFIT OR FEE *(To nearest dollar) (Exclude option dollars)* ______
21. PRICED OPTION VALUE *(To nearest dollar) (Both cost and fee)* ______

22. TYPE OF SERVICE OR PRODUCT *(See FAR Sup. 18-4.671-8)*
(Use AR Codes for R&D effort)
(Use codes beginning with "F" through "Z" for other services)
(Use codes beginning with "1005" through "9999" for supplies and equipment)

23. CONTRACT PHYSICALLY COMPLETE *(Y or blank)* ______
24. MODIF. OBLIGATIONS *(To nearest dollar)* ______
25. LABOR SURPLUS AREA AWARD *(Y-Yes; N-No)*
26. FSS/INDEFINITE DELIVERY/BOA CONTRACT NO.

27. DESCRIPTION OF CONTRACT/MODIFICATION

PREPARED BY
DATE
SUPPLEMENT ATTACHED ☐ YES ☐ NO

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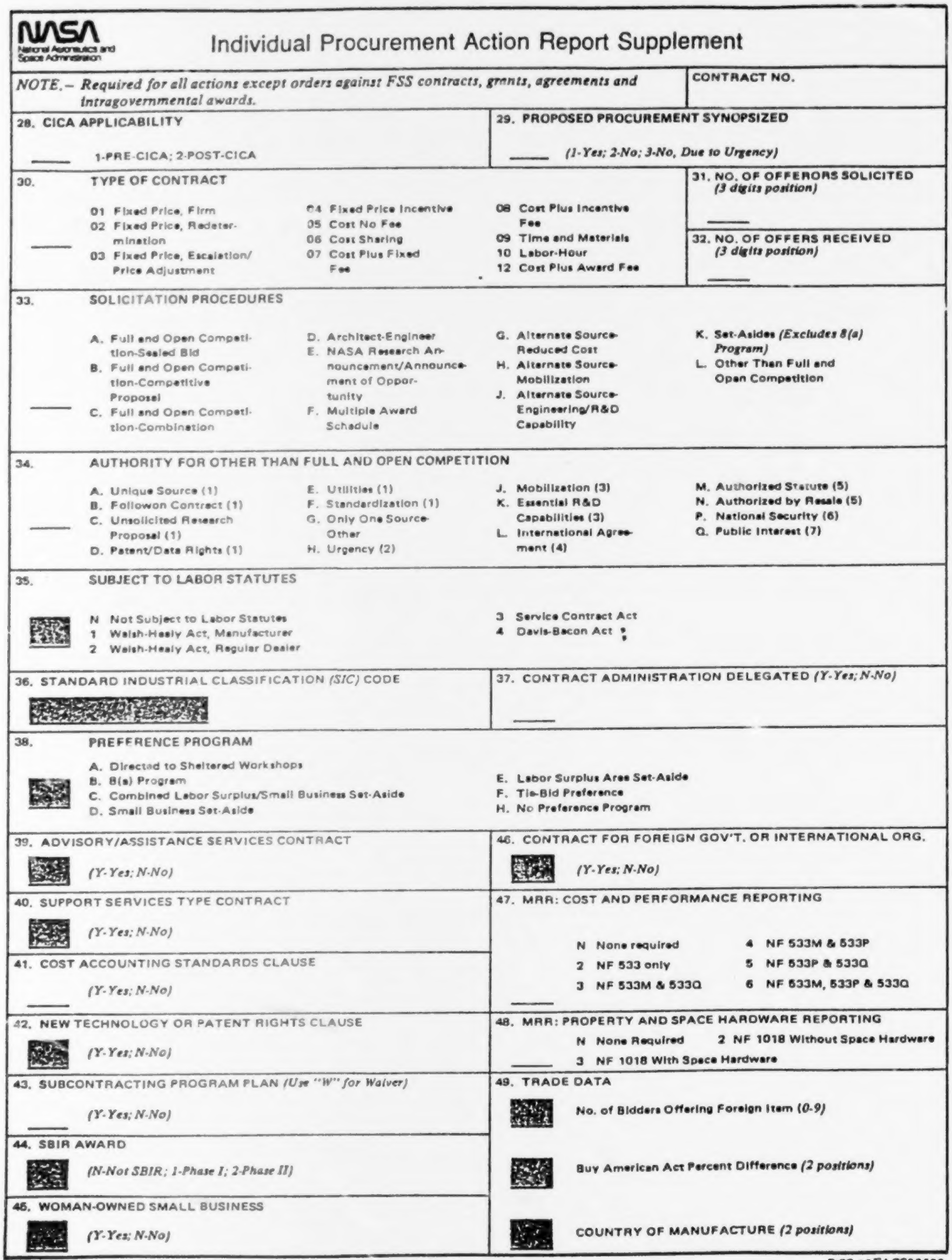
RCS 10FACS00590



NASA National Aeronautics and Space Administration

Individual Procurement Action Report Supplement

NOTE.– Required for all actions except orders against FSS contracts, grants, agreements and intragovernmental awards.

CONTRACT NO.

28. CICA APPLICABILITY
____ 1-PRE-CICA; 2-POST-CICA

29. PROPOSED PROCUREMENT SYNOPSIZED
____ *(1-Yes; 2-No; 3-No, Due to Urgency)*

30. TYPE OF CONTRACT ____
- 01 Fixed Price, Firm
- 02 Fixed Price, Redetermination
- 03 Fixed Price, Escalation/Price Adjustment
- 04 Fixed Price Incentive
- 05 Cost No Fee
- 06 Cost Sharing
- 07 Cost Plus Fixed Fee
- 08 Cost Plus Incentive Fee
- 09 Time and Materials
- 10 Labor-Hour
- 12 Cost Plus Award Fee

31. NO. OF OFFERORS SOLICITED *(3 digits position)*
____

32. NO. OF OFFERS RECEIVED *(3 digits position)*
____

33. SOLICITATION PROCEDURES ____
- A. Full and Open Competition-Sealed Bid
- B. Full and Open Competition-Competitive Proposal
- C. Full and Open Competition-Combination
- D. Architect-Engineer
- E. NASA Research Announcement/Announcement of Opportunity
- F. Multiple Award Schedule
- G. Alternate Source-Reduced Cost
- H. Alternate Source-Mobilization
- J. Alternate Source-Engineering/R&D Capability
- K. Set-Asides *(Excludes 8(a) Program)*
- L. Other Than Full and Open Competition

34. AUTHORITY FOR OTHER THAN FULL AND OPEN COMPETITION ____
- A. Unique Source (1)
- B. Followon Contract (1)
- C. Unsolicited Research Proposal (1)
- D. Patent/Data Rights (1)
- E. Utilities (1)
- F. Standardization (1)
- G. Only One Source-Other
- H. Urgency (2)
- J. Mobilization (3)
- K. Essential R&D Capabilities (3)
- L. International Agreement (4)
- M. Authorized Statute (5)
- N. Authorized by Resale (5)
- P. National Security (6)
- Q. Public Interest (7)

35. SUBJECT TO LABOR STATUTES ▨
- N Not Subject to Labor Statutes
- 1 Walsh-Healy Act, Manufacturer
- 2 Walsh-Healy Act, Regular Dealer
- 3 Service Contract Act
- 4 Davis-Bacon Act

36. STANDARD INDUSTRIAL CLASSIFICATION *(SIC)* CODE
▨

37. CONTRACT ADMINISTRATION DELEGATED *(Y-Yes; N-No)*
____

38. PREFERENCE PROGRAM ▨
- A. Directed to Sheltered Workshops
- B. 8(a) Program
- C. Combined Labor Surplus/Small Business Set-Aside
- D. Small Business Set-Aside
- E. Labor Surplus Area Set-Aside
- F. Tie-Bid Preference
- H. No Preference Program

39. ADVISORY/ASSISTANCE SERVICES CONTRACT
▨ *(Y-Yes; N-No)*

40. SUPPORT SERVICES TYPE CONTRACT
▨ *(Y-Yes; N-No)*

41. COST ACCOUNTING STANDARDS CLAUSE
____ *(Y-Yes; N-No)*

42. NEW TECHNOLOGY OR PATENT RIGHTS CLAUSE
▨ *(Y-Yes; N-No)*

43. SUBCONTRACTING PROGRAM PLAN *(Use "W" for Waiver)*
____ *(Y-Yes; N-No)*

44. SBIR AWARD
▨ *(N-Not SBIR; 1-Phase I; 2-Phase II)*

45. WOMAN-OWNED SMALL BUSINESS
▨ *(Y-Yes; N-No)*

46. CONTRACT FOR FOREIGN GOV'T. OR INTERNATIONAL ORG.
▨ *(Y-Yes; N-No)*

47. MRR: COST AND PERFORMANCE REPORTING ____
- N None required
- 2 NF 533 only
- 3 NF 533M & 533Q
- 4 NF 533M & 533P
- 5 NF 533P & 533Q
- 6 NF 533M, 533P & 533Q

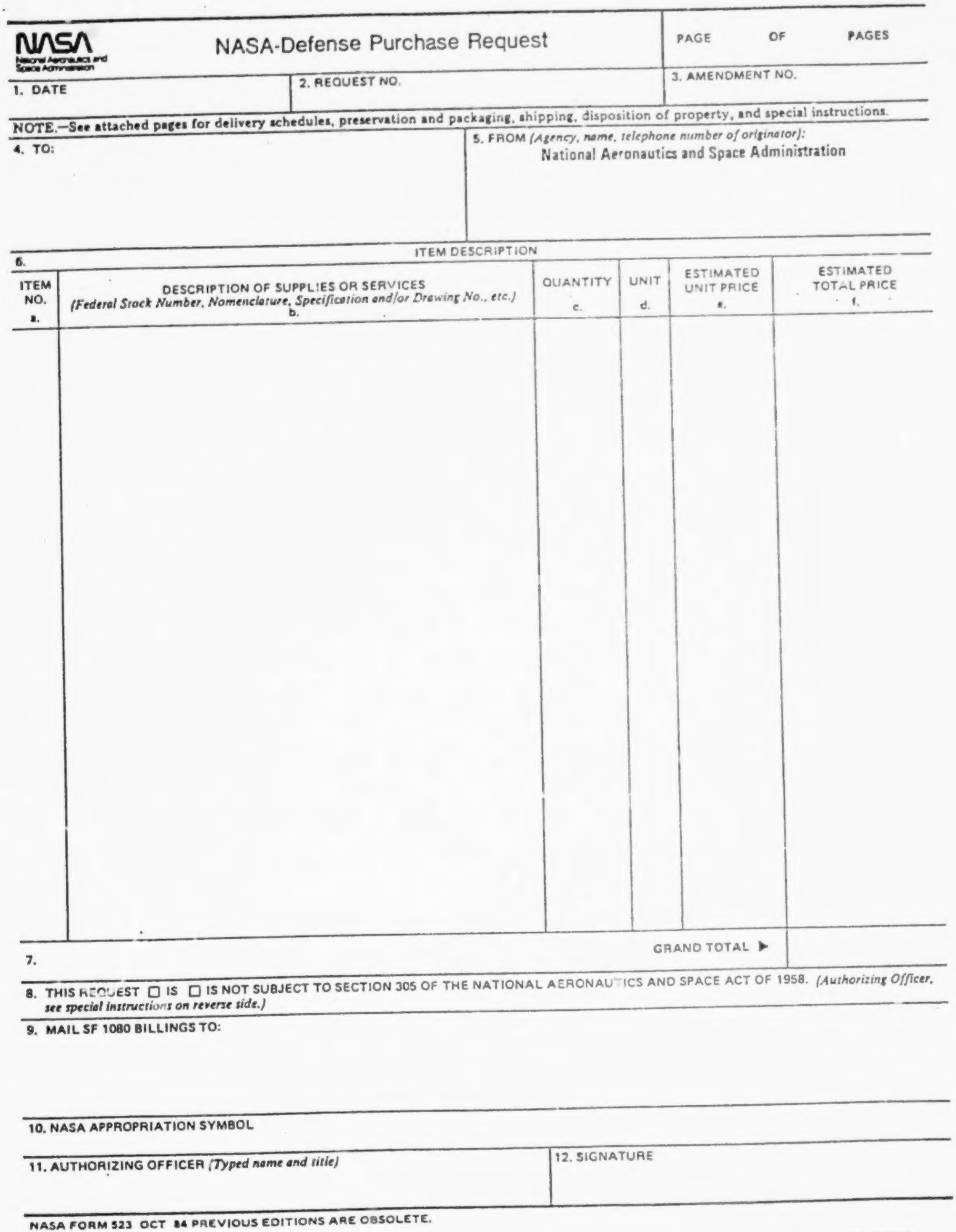
48. MRR: PROPERTY AND SPACE HARDWARE REPORTING ____
- N None Required
- 2 NF 1018 Without Space Hardware
- 3 NF 1018 With Space Hardware

49. TRADE DATA
▨ No. of Bidders Offering Foreign Item *(0-9)*
▨ Buy American Act Percent Difference *(2 positions)*
▨ COUNTRY OF MANUFACTURE *(2 positions)*

NASA FORM 507A JAN 88 PREVIOUS EDITIONS ARE OBSOLETE.

RCS 10FACS00590

FORMS



NASA

NASA-Defense Purchase Request

PAGE OF PAGES

1. DATE

2. REQUEST NO.

3. AMENDMENT NO.

NOTE.—See attached pages for delivery schedules, preservation and packaging, shipping, disposition of property, and special instructions.

4. TO:

5. FROM *(Agency, name, telephone number of originator)*:
National Aeronautics and Space Administration

6. ITEM DESCRIPTION

ITEM NO. a.	DESCRIPTION OF SUPPLIES OR SERVICES *(Federal Stock Number, Nomenclature, Specification and/or Drawing No., etc.)* b.	QUANTITY c.	UNIT d.	ESTIMATED UNIT PRICE e.	ESTIMATED TOTAL PRICE f.

7. GRAND TOTAL ▶

8. THIS REQUEST ☐ IS ☐ IS NOT SUBJECT TO SECTION 305 OF THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958. *(Authorizing Officer, see special instructions on reverse side.)*

9. MAIL SF 1080 BILLINGS TO:

10. NASA APPROPRIATION SYMBOL

11. AUTHORIZING OFFICER *(Typed name and title)*

12. SIGNATURE

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ORIGINAL

INSTRUCTIONS

The NASA-Defense Purchase Request is to be used by NASA to request the procurement of supplies or services from the Department of Defense. These instructions pertain to preparation and use of the form by NASA activities. Attachments should be prepared in sufficient quantity so that each copy of a request is complete with a copy of every attachment listed therein.

Block 4: The original and 5 copies of the purchase request, each complete with all attachments, will be forwarded to the DOD activity shown in this block.

Block 6b: Describe the required services or supplies accurately and in sufficient detail to enable the purchasing activity to understand the requirement. When applicable, the particular NASA program and/or project to which the request or amendment pertains will be indicated. Attachments may be used as required. For items of hardware stocked by DOD, the item identification of the Army, Navy or Air Force and the National Stock Number will be entered if known. When applicable, the specification number, manufacturer's part number and other descriptive data, such as the desired grade, style, type, color, size, rating, etc.

SHIPPING INSTRUCTIONS: When names and addresses of consignees of all supplies to be delivered are not contained herein, or otherwise furnished, request for the issuance of shipping instructions shall be made to the appropriate NASA originating office not less than 30 days prior to date on which any of the articles is to be ready for shipment. Three copies of shipping documents shall be forwarded to the NASA originating office and each consignee.

DISPOSITION OF PROPERTY: Include instructions for the disposition of any nonexpendable or other residual property purchased with NASA funds.

PRIORITY RATING: Include applicable priority rating and claimant program identification *(Example: Priority Rating DO-A2)*. In procurement for DX programs, identification will also include the unclassified program name.

Block 8: If this request or any part of the supplies or services covered by this request is subject to Section 305 of the National Aeronautics and Space Act of 1958 *(42 U.S.C. 2457)*, NASA FAR Supplement 18-27.373 applies in the same manner as if the procurement was actually conducted by NASA. Therefore, a copy of the appropriate clauses, prescribed by NFS 18-27.373 shall be furnished to the purchasing activity in accordance with FAR 27.304.2.

Block 10: Cite appropriation symbol, cost coding, or any other accounting data to be included in the ensuing documentation.

Security Classification: If the purchase request or any part thereof is classified, DD Form 254, "Contract Security Classification Specification" (FAR 4.403 (c)(1)), or other written notice of security requirements will be prepared.

Changes: All changes that affect the contents of the purchase request must be processed as a purchase request amendment. This includes such changes as a decrease in quantity, increase or decrease in funds, change in the specifications or in the part, stock or drawing numbers, etc. Such changes may be made initially be expeditions means such as telegraph or telephone communication, but each change will be confirmed by a purchase request amendment. The original and 5 copies of purchase request amendments will be forwarded to the DOD recipient of the original purchase request. In preparing an amendment, Blocks 1 through 5 must always be completed. Only those remaining blocks of the form that are applicable to the change or revision of the data in the purchase request or prior amendments thereto need to be filled in. The unused blocks, however, should have "N/C" inserted to reflect no change.

PAGE ______ OF ______ PAGES

NASA National Aeronautics and Space Administration

Monthly Contractor Financial Management Report

Form Approved
O.M.B. No. 2700-0003

2. REPORT FOR MONTH ENDING AND NUMBER OF OPERATING DAYS

TO:

FROM:

3. CONTRACT VALUE

a. COST $

b. FEE $

1. DESCRIPTION OF CONTRACT

a. TYPE

b. CONTRACT NO. AND LATEST DEFINITIZED AMENDMENT NO.

4. FUND LIMITATION $

c. SCOPE OF WORK

d. AUTH. CONTR. REP. *(Signature)*

DATE

5. BILLING

a. INVOICE AMTS. BILLED $

b. TOTAL PYTS. REC'D. $

6. REPORTING CATEGORY	7. COST INCURRED/HOURS WORKED				8. ESTIMATED COST/HOURS TO COMPLETE			9. ESTIMATED FINAL COST/HOURS		10. UN-FILLED ORDERS OUT-STANDING
	DURING MONTH		CUM. TO DATE		DETAIL		BALANCE OF CONTRACT c.	CON-TRACTOR ESTIMATE a.	CONTRACT VALUE b.	
	ACTUAL a.	PLANNED b.	ACTUAL c.	PLANNED d.	a.	b.				

Baseline Plan Identification (Col. 7b & 7d): Revision No. ______________, Dated ______________.

NASA FORM 533M SEP 84 PREVIOUS EDITIONS ARE OBSOLETE.

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FORMS

INSTRUCTIONS

General – All paragraph references below refer to the current edition of NHB 9501.2, which includes additional instructions for completing NASA Form 533 reports. Copies of the Handbook are available through the NASA Contracting Officer or from the Superintendent of Documents, Government Printing Office, Washington, DC 20401.

Forms – Forms will be obtained by the contractor through the contracting officer. When directed or approved by the contracting officer, other means than the NASA 533 format may be used for transmitting the data required by these instructions; e.g., punched cards, tapes or electronic transmissions.

Security Classification – If the information in the report is classified, appropriate security classification shall be given the report (see par. 107).

Submission – The NASA Form 533M report is due in the office of the addressee not later than 10 operating days following the close of the contractor's monthly accounting period, unless otherwise specified in the contract. For initial reports and other related items of significance, see par. 300, 301 and the contract. The addresses and number of copies to be submitted will be as specified by the contract or an administrative instruction.

Amounts – Report dollar amounts in even thousands and hours in tenths of thousands (e.g., $32,600 as $33 or 462 hours as .5).

Form Headings – The form headings shall be completed as follows:

1. To – Enter the full name and address of the NASA field installation and contracting officer or other designated recipient.

2. From – Enter the full name and address of the contractor and, if applicable, the contractor's division performing the contract.

Preparation:

1. Description of Contract:

a. Type – Cost-Plus-Fixed-Fee, Cost-Plus-Incentive-Fee, etc.

b. Contract No. and Latest Definitized Amendment No. – Enter complete letter or contract symbol, number, and number of latest definitized amendment.

c. Scope of Work – Enter a brief description of the contract effort. Identify the service, project, system or subsystem and, where hardware is concerned, the quantity being procured or proposed for the contract.

d. Authorized Contractor Representative *(Signature)* and Date – The authorized contractor representative shall sign and date to reflect approval. When such representative is other than the project manager, the project manager shall also sign to signify review of the content. Date shall signify date of approval and signature of report.

2. Report for Month Ending and Number of Operating Days – Enter the ending date of the contractor's accounting month and the number of operating days for that accounting month.

3. Contract Value – Enter the total definitized cost (a) and fee (b) of all work to be performed under the contract as of the report date. Include dollar amounts through the latest definitized amendment as noted in 1b above. For all incentive contracts, enter the negotiated target cost and target fee.

4. Fund Limitation – Enter the total funding obligated and the latest corresponding contract amendment number as of the report date.

5. Billing:

a. Invoice Amounts Billed – Enter the total amount of invoices billed by the contractor against the contract and the latest invoice number as of the report date.

b. Total Payments Received – Enter the total amount of payments received by the contractor for the contract as of the report date.

6. Reporting Category – Enter the captions of the reporting categories specified in the contract (see par. 301-3).

7. Cost Incurred/Hours Worked – All cost and hour data will be reported by the categories negotiated in the contract (see par. 301-4).

a. Actual During Month – Enter the total actual cost incurred/hours worked for the accounting month being reported.

b. & d. Planned Cost (optional) – Enter the planned (budgeted) cost for the month being reported in column 7b and cumulative to date in column 7d. The planned cost is obtained from the time phased baseline plan which includes the original contract value plus authorized changes. The baseline plan to date consists of the sum of the budgets for all work authorized that is scheduled for completion through the report date. The plan shall include a pro rata share of the budgets for work in process. Identify the baseline plan used by date and revision number at the bottom of the report.

c. Cumulative Actual Cost/Hours to Date – Enter the cumulative actual cost incurred/hours worked as of the report date. Where the cumulative data reported in this column is only for the current "schedule," the report should be annotated to show the total cumulative cost for all previous "schedules."

8. Estimated Cost/Hours to Complete – Enter the current estimates for performing currently authorized work which is included in the most recently executed contract amendment, plus additional authorized work (directions to proceed) for which execution of amendment is pending. The estimates will be used for planning purposes only and will not be binding on either the contractor or NASA.

a. & b. These columns may be used at the option of project management to obtain any desired combination of subsequent month(s), fiscal year(s) and/or balance of fiscal year data. The required data element(s) shall be specified in the contract (see par. 301-5).

c. Enter the cost/hour data for the balance of the contract not including columns 8a and 8b. Where amounts reported in this column exceed one fiscal year, a breakdown by fiscal year may be required.

9. Estimated Final Cost/Hours:

a. Contractor Estimate – Enter the total estimated cost/hours for completion of the contracted effort (this should equal the sum of columns 7c, 8a, 8b and 8c).

b. Contract Value – Enter the distribution of the Contract Value to the reporting categories. The total of this column shall agree with item 3, above. Significant differences between columns 9a and 9b shall be explained in the "Contractor's Remarks." When there are no changes from the prior reports submitted, the data may be omitted if the contractor and the NASA contracting officer jointly agree.

10. Unfilled Orders Outstanding – Enter the total of unfilled orders outstanding as of the report date (see par. 301-6).

11. Contractor's Remarks:

a. Analytical remarks on significant items materially affecting historical or projected cost or performance shall accompany each monthly report (e.g., see item 9b above and par. 304).

b. Include a reconciliation from the original contract value (Original Negotiated Baseline) to the present contract value as reported in item 3. A sample format is set forth in the instructions on the back of NASA Form 533Q and par. 304.

c. The NASA field installation may require changes authorized but not finalized to be further subdivided as follows:

(1) Changes negotiated but not definitized

(2) Changes pending negotiation

(3) Changes pending quotation

d. Report new change orders per sample format set forth in the figure below.

New Change Orders Identified to Subdivision of Work				
Change Order No.				
Subdivision of Work	Amount			
Total				

GPO [illegible]

PAGE ____ OF ____ PAGES

NASA National Aeronautics and Space Administration

Monthly Contractor Financial Management Performance Analysis Report

Form Approved
O.M.B. No. 2700-0003

2. REPORT FOR MONTH ENDING AND NUMBER OF OPERATING DAYS

TO:

FROM:

3. CONTRACT VALUE
a. COST $
b. FEE $

1. DESCRIPTION OF CONTRACT
a. TYPE
b. CONTRACT NO. AND LATEST DEFINITIZED AMENDMENT NO.
c. SCOPE OF WORK
d. AUTH. CONTR. REP. *(Signature)* DATE

4. FUND LIMITATION $

5. BILLING
a. INVOICE AMTS. BILLED $
b. TOTAL PYTS. REC'D. $

6. REPORTING CATEGORY	CUM. COST/HOURS THROUGH CURRENT PERIOD					10. CONTRACTOR'S ESTIMATED FINAL COST	11. TECHNICAL ASSESSMENT OF PROGRESS	
	7. BUDGETED COST FOR WORK		8. ACTUAL COST/HOURS OF WORK PERFORMED	9. VARIANCE			a. SCHEDULE AND STATUS	b. TECH. % COMPLETED
	SCHEDULED a.	PERFORMED b.		SCHEDULE (Col. 7b-7a) a.	COST/HOURS (Col 7b-8) b.			

NASA FORM 533P SEP 84 PREVIOUS EDITIONS ARE OBSOLETE

NASA APPROVED SCHEDULE ☐
CONTRACTOR'S WORKING SCHEDULE ☐

NASA APPROVED SCHEDULE DATE ________

Baseline Plan Identification (Col. 7a): Revision No. ____________, Dated ________.

RCS:PUBL[illegible]417

FORMS

INSTRUCTIONS

General – All paragraph references below refer to the current edition of NHB 9501.2, which includes additional instructions for completing NASA Form 533 reports. Copies of the Handbook are available through the NASA Contracting Officer or from the Superintendent of Documents, Government Printing Office, Washington, DC 20401.

Forms – Forms will be obtained by the contractor through the contracting officer. When directed or approved by the contracting officer, other means than the NASA 533 format may be used for transmitting the data required by these instructions; e.g., punched cards, tapes or electronic transmissions.

Security Classification – If the information in the report is classified, appropriate security classification shall be given the report (see par. 107).

Submission – The NASA Form 533P report is due in the office of the addressee on a negotiated date specified in the contract. The addresses and number of copies to be submitted will be as specified by the contract or an administrative instruction.

Amounts – Report dollar amounts in even thousands and hours in tenths of thousands (e.g., $32,600 as $33 or 462 hours as .5).

Form Headings – The form headings shall be completed as follows:

1. To – Enter the full name and address of the NASA field installation and contracting officer or other designated recipient.

2. From – Enter the full name and address of the contractor and, if applicable, the contractor's division performing the contract.

Preparation:

1. Description of Contract:

a. Type – Cost-Plus-Fixed-Fee, Cost-Plus-Incentive-Fee, etc.

b. Contract No. and Latest Definitized Amenument No. – Enter complete letter or contract symbol, number, and number of latest definitized amendment.

c. Scope of Work – Enter a brief description of the contract effort. Identify the service, project, system or subsystem and, where hardware is concerned, the quantity being procured or proposed for the contract.

d. Authorized Contractor Representative *(Signature)* and Date – The authorized contractor representative shall sign and date to reflect approval. When such representative is other than the project manager, the project manager shall also sign to signify review of the content. Date shall signify date of approval and signature of report.

2. Report for Month Ending and Number of Operating Days – Enter the ending date of the contractor's accounting month and the number of operating days for that accounting month.

3. Contract Value – Enter the total definitized cost (a) and fee (b) of all work to be performed under the contract as of the report date. Include dollar amounts through the latest definitized amendment as noted in 1b above. For all incentive contracts, enter the negotiated target cost and target fee.

4. Fund Limitation – Enter the total funding obligated and the latest corresponding contract amendment number as of the report date.

5. Billing:

a. Invoice Amounts Billed – Enter the total amount of invoices billed by the contractor against the contract and the latest invoice number as of the report date.

b. Total Payments Received – Enter the total amount of payments received by the contractor for the contract as of the report date.

6. Reporting Category – Enter the captions of the reporting categories specified in the contract (see par. 303-3).

7. Budgeted Cost for Work – The contractor shall establish a time phased baseline cost plan for each reporting category by assigning budgets at the lower levels of the WBS.

a. Budgeted Cost for Work Scheduled (BCWS) shall be the sum of the cumulative budgets assigned for all effort scheduled to be completed through the period being reported. Include a pro rata share of the budgets for scheduled work in process. Identify the baseline plan used by date and revision number at bottom of form.

b. Budgeted Cost for Work Performed (BCWP) shall be the sum of the cumulative budgets assigned for all effort actually completed through the period being reported plus a pro rata share of the budgets assigned to completed portions of work in process.

8. Actual Cost of Work Performed (ACWP) – Report cumulative actual cost for each reporting category as of the report date. The actual cost reported on this report shall agree with the actual cost reported on the NASA Form 533M when both reports are required.

9. Variance – Variances exceeding the criteria (dollar/hour or percentage limits) set forth in the contract shall be explained in the narrative report.

a. Schedule Variance – Enter for each reporting category the difference of BCWP minus BCWS. A positive variance indicates a favorable position – ahead of schedule; a negative variance indicates an unfavorable position – behind schedule.

b. Cost Variance – Enter for each reporting category the difference of BCWP minus ACWP. A positive variance indicates a favorable position – an underrun of cost; a negative variance indicates an unfavorable position – an overrun of cost.

10. Contractor's Estimated Final Cost – Enter the current estimates for performing currently authorized work which is included in the most recently executed contract amendment, plus additional authorized work (directions to proceed) for which execution of amendments is pending.

11. Technical Assessment of Progress – This portion of the report shall reflect the contractor's (technical manager's) evaluation of the schedule and technical status for each reporting category as of the report date.

a. Schedule and Status – The Symbology Table displayed below illustrates the method to be used to reflect schedules and status.

(1) Top Line – Enter the appropriate calendar year.

(2) Second Line – Enter the first letter of each month.

(3) Shaded Blocks – Enter the current NASA approved schedule for each reporting category and enter the date approved by the NASA Project Manager at the bottom of the form. Use inverted open triangles to represent beginning and ending milestones.

(4) Unshaded Blocks – Enter the contractor's current working schedule.

(i) Use an open schedule bar to indicate time span for which effort is planned. Use an open inverted triangle to represent beginning and ending milestones.

(ii) The contractor's current working schedule may be the same as or different from the NASA approved schedule. If the work status as of the report date indicates a necessity to revise the current working schedule, show such revision in the next monthly report.

(iii) Black in triangles when each milestone is reached.

(iv) To report schedular status, determine the length of time planned for the technical achievement to date. Black in the schedule bar to that point in time. Consider any modifications made in the current working schedule. Note: The percent ratio of the blacked in portion of the schedule bar to its total schedule is not necessarily the same as (1) the technical assessment-percent complete, or (2) the percent man hours or dollars used to date (e.g., as determined by the ratio of actuals to the total estimate).

(v) Use arrows to indicate a break in schedule span.

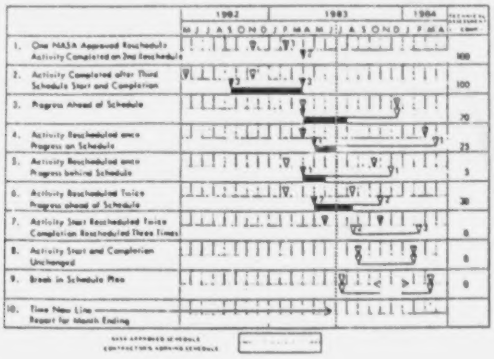
(vi) Place a number (1, 2, 3, 4, etc.) next to the triangle to indicate number of times rescheduled.

(vii) Time Now Indicator – Use a broken vertical line to indicate report date.

b. Technical Assessment (% Complete) – Evaluate the progress toward meeting the technical requirement of each reporting category. The contractor's project manager or system engineer makes this assessment, considering all aspects of progress-technical specification, quality, production of hardware, software achievement, etc., and subjective factors, such as complexity of tasks, state of the art and level of confidence that the objective can be achieved.

12. Contractor's Remarks – Analytical remarks on significant items materially affecting cost or performance are required. See paragraph 304 for more detailed instructions.

SYMBOLOGY TABLE


1982
1983
1984
M J J A S O N D J F M A M J J A S O N D J F M A
TECHNICAL ASSESSMENT % COMP.
1. One NASA Approved Reschedule Activity Completed on 2nd Reschedule
100
2. Activity Completed after Third Schedule Start and Completion
100
3. Progress Ahead of Schedule
70
4. Activity Rescheduled once Progress on Schedule
25
5. Activity Rescheduled once Progress behind Schedule
5
6. Activity Rescheduled Twice Progress ahead of Schedule
30
7. Activity Start Rescheduled Twice Completion Rescheduled Three Times
0
8. Activity Start and Completion Unchanged
0
9. Break in Schedule Plan
0
10. Time Now Line
Report for Month Ending
NASA APPROVED SCHEDULE
CONTRACTOR'S WORKING SCHEDULE

PAGE _____ OF _____ PAGES

NASA

Quarterly Contractor Financial Management Report

Form Approved
O.M.B. No. 2700-0003

2. REPORT FOR QUARTER BEGINNING

TO:

FROM:

3. CONTRACT VALUE

a. COST $

b. FEE $

1. DESCRIPTION OF CONTRACT

a. TYPE

b. CONTRACT NO. AND LATEST DEFINITIZED AMENDMENT NO.

4. FUND LIMITATION $

c. SCOPE OF WORK

d. AUTH. CONTR. REP. (Signature)

DATE

5. BILLING

a. INVOICE AMTS. BILLED $

b. TOTAL PYTS. REC'D. $

6. REPORTING CATEGORY	7. COST INCURRED/ HOURS WORKED			8. ESTIMATED COST/HOURS TO COMPLETE										9. ESTIMATED FINAL COST/HOURS		10. ESTI-MATED COM-PLETION DATE	11. UN-FILLED ORDERS OUT-STANDING
	CUMU-LATIVE ACTUAL THROUGH PRIOR MONTH a.	CUR-RENT MONTH ESTI-MATE b.	CUMU-LATIVE ESTI-MATE TO DATE c.	MONTH a.	MONTH b.	MONTH c.	QUARTER d.	QUARTER e.	QUARTER f.	BALANCE OF FY. g.	NEXT FY. h.	BALANCE OF CONTRACT i.	TOTAL TO COMPLETE j.	CON-TRACTOR ESTIMATE a.	CONTRACT VALUE b.		

NASA FORM 533Q SEP 84 PREVIOUS EDITIONS ARE OBSOLETE

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FORMS

INSTRUCTIONS

General – All paragraph references below refer to the current edition of NHB 9501.2, which includes additional instructions for completing NASA Form 533 reports. Copies of the Handbook are available through the NASA Contracting Officer or from the Superintendent of Documents, Government Printing Office, Washington, DC 20401.

Forms – Forms will be obtained by the contractor through the contracting officer. When directed or approved by the contracting officer, other means than the NASA 533 format may be used for transmitting the data required by these instructions; e.g., punched cards, tapes or electronic transmissions.

Security Classification – If the information in the report is classified, appropriate security classification shall be given the report (see par. 107).

Submission – The NASA Form 533Q report is due in the office of the addressee on a quarterly frequency (i.e., calendar quarter or other designated 3-month interval) not later than the 15th day of the month preceding the quarter being projected in columns 8a, b and c. For initial reports and other related items of significance, see par. 300-5, 302 and the contract. The addressees and number of copies to be submitted will be as specified by the contract or an administrative instruction.

Amounts – Report dollar amounts in even thousands and hours in tenths of thousands (e.g., $32,800 as $33 or 462 hours as .5).

Form Headings – The form headings shall be completed as follows:

1. To – Enter the full name and address of the NASA field installation and contracting officer or other designated recipient.

2. From – Enter the full name and address of the contractor and, if applicable, the contractor's division performing the contract.

Preparation:

1. Description of Contract:

a. Type – Cost-Plus-Fixed-Fee, Cost-Plus-Incentive-Fee, etc.

b. Contract No. and Latest Definitized Amendment No. – Enter complete letter or contract symbol, number, and number of latest definitized amendment.

c. Scope of Work – Enter a brief description of the contract effort. Identify the service, project, system or subsystem and, where hardware is concerned, the quantity being procured or proposed for the contract.

d. Authorized Contractor Representative *(Signature)* and Date – The authorized contractor representative shall sign and date to reflect approval. When such representative is other than the project manager, the project manager shall also sign to signify review of the content. Date shall signify date of approval and signature of report.

2. Report for Quarter Beginning – Enter the beginning date of the quarter being projected in columns 8a, b and c and the number of operating days in the quarter.

3. Contract Value – Enter the total definitized cost (a) and fee (b) of all work to be performed under the contract as of the report date. Include dollar amounts through the latest definitized amendment as noted in 1b above. For all incentive contracts, enter the negotiated target cost and target fee.

4. Fund Limitation – Enter the total funding obligated and the latest corresponding contract amendment number as of the report date.

5. Billing:

a. Invoice Amounts Billed – Enter the total amount of invoices billed by the contractor against the contract and the latest invoice number as of the report date.

b. Total Payments Received – Enter the total amount of payments received by the contractor for the contract as of the report date.

6. Reporting Category – Enter the captions of the reporting categories specified in the contract (see par. 302-3).

7. Cost Incurred/Hours Worked:

a. Enter the cumulative actual cost incurred/hours worked through the first two months of the quarter preceding the quarter projected in columns 8a, b and c. Where the cumulative data reported in this column is only for the current "schedule," the report should be annotated to show the total cumulative cost for all previous "schedules."

b. Enter an estimate for the month in which the report is due (see "Submission" above).

c. Enter the sum of columns 7a and b.

8. Estimated Cost/Hours to Complete (columns 8a through i) – Enter the appropriate month, quarter and fiscal year designations in the column headings. Enter the current estimates for performing currently authorized work which is included in the most recently executed contract amendment plus additional authorized work (directions to proceed) for which execution of amendments is pending. These estimates will be used for planning purposes only and will not be binding on either the contractor or NASA. The sum of columns 8a through i will be entered in column 8j. If the totals reported in column 8i, "Balance of Contract," exceed more than one fiscal year, each fiscal year shall be identified and reported separately.

9. Estimated Final Cost/Hours:

a. Contractor Estimate – Enter the total estimated cost/hours for completion of the contracted effort for each reporting category. This should equal the sum of columns 7c and 8j.

b. Contract Value – Enter the distribution of the Contract Value to the reporting categories. The total of this column shall agree with item 3, above. Significant differences between columns 9a and 9b shall be explained in the "Contractor's Remarks." When there are no changes from the prior reports submitted, the data may be omitted if the contractor and the NASA contracting officer jointly agree.

10. Estimated Completion Date – Enter the estimated completion date for each subdivision of work if a correlated cost-schedule activity report is not required. The entry shall not serve as a notice to NASA of late delivery or as acquiescence in such late delivery by NASA.

11. Unfilled Orders Outstanding – Enter the total of unfilled orders outstanding as of the report date (see par. 302-6).

12. Contractor's Remarks – The narrative report submitted with the quarterly cost projection report shall normally be limited to those items materially affecting projected cost or performance which have not been addressed in the preceding monthly narrative reports (see par. 304).

a. Explain any significant items affecting cost, e.g., technical and schedule problems, changes in plans, incurred over/under runs, etc.

b. Include a reconciliation from the original contract value (Original Negotiated Baseline) to the present contract value as reported in Item 3. A sample format is set forth in Figure A below.

c. The NASA field installation may require changes authorized but not finalized to be further subdivided as follows:

(1) Changes negotiated but not definitized

(2) Changes pending negotiation

(3) Changes pending quotation

d. Report new change orders per sample format set forth in Figure B below.

Original Contract Value	$	
Supplemental Agreement (identify: i.e., inclusive modification numbers)		
Present Contract Value (Col. 9b)		$
Changes Authorized But Not Finalized (identify items as to change order no.)	$	
Anticipated Over (Under) Run		
Contractor Estimate (Col. 9a)		$
Changes Under Consideration But Not Authorized (identify items)		$

Figure A

New Change Orders Identified to Subdivision of Work				
Change Order No.				
Subdivision of Work	Amount			
Total				

Figure B

GPO [illegible]

FORMS

NASA
National Aeronautics and Space Administration

Structured Approach
Profit/Fee Objective

CONTRACTOR	RFP/CONTRACT NO
BUSINESS UNIT	CONTRACT TYPE
ADDRESS	

CONTRACTOR EFFORT

1. COST CATEGORY	GOVERNMENT'S COST OBJECTIVE (a)	WEIGHT RANGE (b)	ASSIGNED WEIGHT (c)	WEIGHTED PROFIT/FEE ((a) × (c)) (d)
MATERIAL ACQUISITION	▨	1% TO 4%	▨	▨
DIRECT LABOR	▨	4% TO 12%	▨	▨
OVERHEAD	▨	3% TO 8%	▨	▨
OTHER COSTS	▨	1% TO 3%	▨	▨
GENERAL MANAGEMENT (G & A)		4% TO 8%		
1. A TOTAL		▨		

2. OTHER FACTORS

FACTOR	MEASUREMENT BASE (a)	WEIGHT RANGE (b)	ASSIGNED WEIGHT (c)	WEIGHTED PROFIT/FEE 1.A (a) × (c) (d)
COST RISK	TOTAL COST OBJECTIVE 1.A (a)	0% TO 7%		
INVESTMENT		-2% TO +2%		
PERFORMANCE		-1% TO +1%		
SOCIO-ECONOMIC PROGRAMS		-.5% TO +.5%		
SPECIAL SITUATIONS				
2.A TOTAL OTHER FACTORS		▨		

3. SUBTOTAL PROFIT/FEE LINES (1.A) + (2.A)		
4. *LESS FACILITIES CAPITAL COST OF MONEY*		–
5. TOTAL PROFIT/FEE OBJECTIVE LINE (3) – (4)		

NASA FORM 634 FEB 80

SECTION I.	1. PRIME CONTRACT NO.			Form Approved OMB No. 2700-0004	*For NASA Use Only*
	2. PRIME CONTRACTOR				A.
	3. ADDRESS				B.
II. FIRST-TIER SUBCONTRACT	4. SUBCONTRACTOR				C.
	5. ADDRESS				D.
	6. SMALL BUSINESS ☐ YES ☐ NO	7. DISADVANTAGED BUSINESS ☐ YES ☐ NO	8. SUBCONTRACT NO.	9. SUBCONTRACT AMOUNT *(Dollars)* a. PRIOR ______ b. THIS ACTION ______ c. NEW TOTAL ______	E. F.
	10. PRINCIPAL PLACE OF PERFORMANCE *(City and State)*				
	11. DESCRIPTION OF WORK			12. TYPE OF EFFORT ☐ a. R&D ☐ b. NON-R&D	G.
III. SECOND-TIER SUBCONTRACT	13. SUBCONTRACTOR				H.
	14. ADDRESS				I.
	15. SMALL BUSINESS ☐ YES ☐ NO	16. DISADVANTAGED BUSINESS ☐ YES ☐ NO	17. SUBCONTRACT NO.	18. SUBCONTRACT AMOUNT *(Dollars)* a. PRIOR ______ b. THIS ACTION ______ c. NEW TOTAL ______	J. K.
	19. PRINCIPAL PLACE OF PERFORMANCE *(City and State)*				
	20. DESCRIPTION OF WORK			21. TYPE OF EFFORT ☐ a. R&D ☐ b. NON-R&D	L.
22. COMPANY SUBMITTING REPORT		23. SUBMITTED BY *(Typed name)*		24. DATE	

NASA FORM 667 JUL 87 PREVIOUS EDITIONS ARE OBSOLETE. Report on NASA Subcontracts RCS 10PUBL00433

INSTRUCTIONS–GENERAL AND SPECIFIC

A. This report form is for use by NASA prime contractors and first-tier subcontractors participating in the NASA subcontracting reporting program. *(See Paragraph 18-4.672 of the NASA FAR Supplement.)* Parts I and II of the form are for use by the prime contractors. Parts I, II and III are for use by the first-tier subcontractors.

B. NASA prime contractors will complete and submit Parts I and II of the form for each subcontract *(as defined in Paragraph E, below)*, placed by them which is estimated will exceed $10,000 and for each action *(modification)* in excess of $10,000 on such subcontract. Modifications to be reported include actions which result in the decommitment of funds as well as commitments.

C. First-tier subcontractors having any subcontracts which are estimated will exceed $50,000 will complete and submit the form in entirety for each subcontract *(as defined in Paragraph E, below)* placed by them which is estimated will exceed $10,000 and for each action *(modification)* in excess of $10,000 on such subcontract. Modifications to be reported include actions which result in the decommitment of funds as well as commitments.

D. For use in reporting on NASA subcontracts, "research and development" means basic and applied research, and design and development of prototypes and processes to (1) pursue a planned search for new knowledge, with or without reference to a specific application, (2) apply existing knowledge in the creation of new products or processes, and (3) apply existing knowledge in the improvement or modification of present products or processes. It excludes subcontracts for the purchase of standard commercial items and services.

E. The term "subcontract" as used herein means procurement in the excess of $10,000 by the prime contractor or first-tier subcontractor of articles, materials, or services entering into the performance of a specific NASA prime contract. It does not include purchases, regardless of amount, of stock items, materials, or services which cannot be identified with a specific NASA prime contract.

F. NASA prime contractors will provide the number of the NASA prime contract to their first-tier subcontractors for entry on the reports.

G. The report is to be submitted as soon as possible after placement of the subcontract to the National Aeronautics and Space Administration, Office of Procurement, Code HM, Washington, DC 20546.

H. Prime contractors will obtain a supply of the forms from their NASA Contracting Officer. Subcontractors will obtain the forms from the prime contractor.

Item 1. Enter the NASA prime contract number.

Item 2. Enter name, and division if applicable, of the prime contractor.

Item 3. Enter address *(City and State only)* of the prime contractor.

Item 4. Enter name, and division if applicable, of the subcontractor.

Item 5. Enter address of the subcontractor.

Item 6. Check applicable box. *(For definition of a small business concern, see Paragraph 19.001 of the Federal Acquisition Regulation.)*

Item 7. Check applicable box. *(For definition of a disadvantaged business concern, see Par. 19.001 of the Federal Acquisition Regulation.)*

Item 8. Enter subcontract or purchase order number specified by the contractor initiating the action.

Item 9. Enter in terms of commitments, to the nearest dollar, the amount of the subcontract, or amount of modification of the subcontract. Modifications resulting in decommitments are to be enclosed in parentheses. On line 9a, enter the cumulative amount of the subcontract prior to the action being reported. If the reported action is a new subcontract, enter the word "New." On line 9b, enter the amount of the action being reported. On line 9c, enter the new cumulative amount *(total of lines 9a and 9b)*.

Item 10. Enter the location *(City and State)* of the principal plant or place of business where the items will be produced or supplied from stock or where the work will be performed. For construction subcontracts, enter the site of construction.

Item 11. Enter a brief description of the item to be furnished or the work to be performed under the subcontract. *(For example: Electrical Indicating Meters.)*

Item 12. Check applicable box to indicate whether effort involves research and development. *(See Instruction D.)*

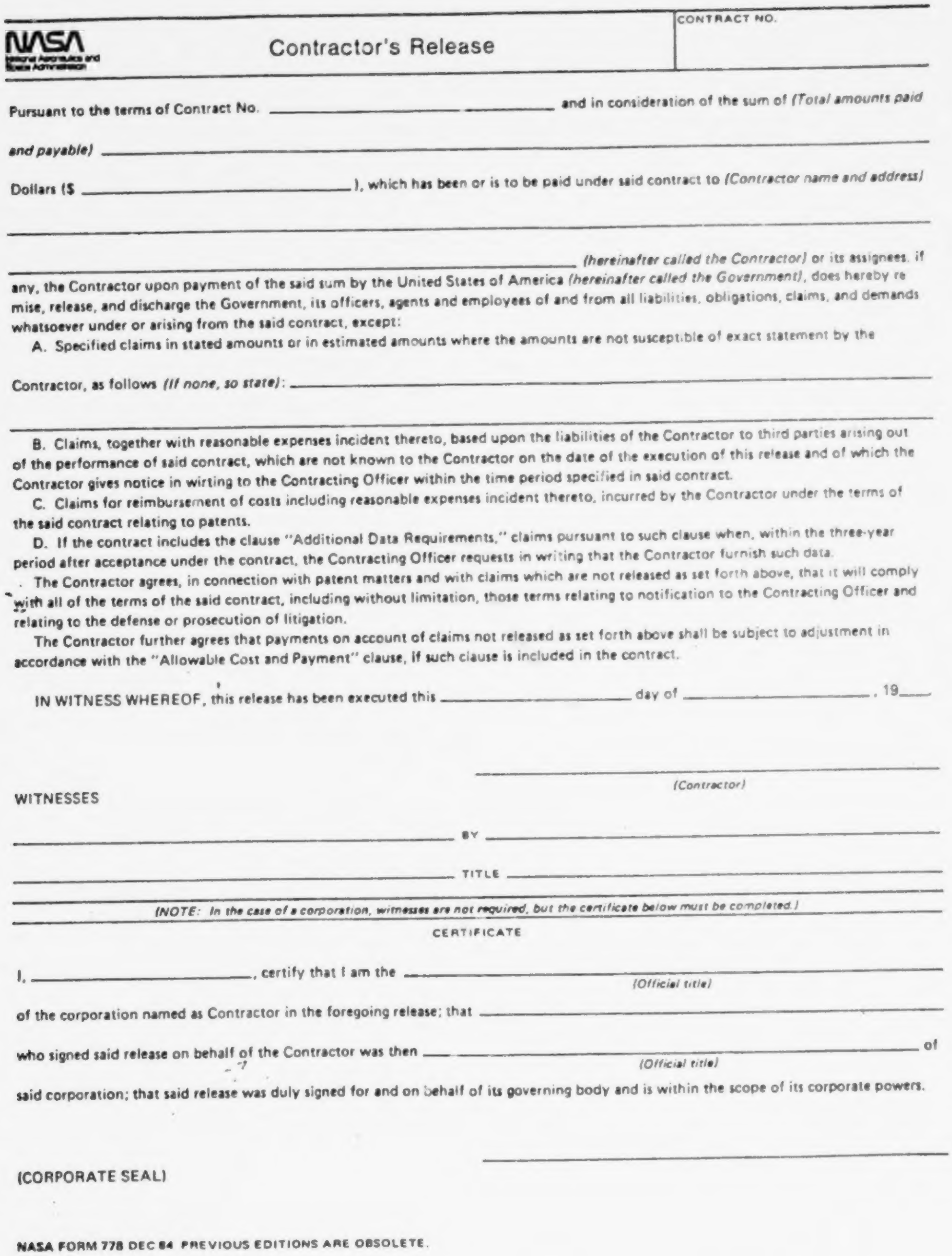
Item 13 through 21. See items 4 through 12.

Item 22. Enter the name of the company submitting the report. This should be the name of the prime contractor for reports on first-tier subcontracts; it should be the name of the first-tier subcontractor for reports on second-tier subcontracts.

Item 23. Typed name and signature of company individual submitting the report.

Item 24. Enter the date of signature.

FORMS



NASA

Contractor's Release

CONTRACT NO.

Pursuant to the terms of Contract No. ______________ and in consideration of the sum of *(Total amounts paid and payable)* ______________________________

Dollars ($ ______________), which has been or is to be paid under said contract to *(Contractor name and address)* ______________________________

______________________________ *(hereinafter called the Contractor)* or its assignees, if any, the Contractor upon payment of the said sum by the United States of America *(hereinafter called the Government)*, does hereby remise, release, and discharge the Government, its officers, agents and employees of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the said contract, except:

A. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor, as follows *(If none, so state)*: ______________________________

B. Claims, together with reasonable expenses incident thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of said contract, which are not known to the Contractor on the date of the execution of this release and of which the Contractor gives notice in wirting to the Contracting Officer within the time period specified in said contract.

C. Claims for reimbursement of costs including reasonable expenses incident thereto, incurred by the Contractor under the terms of the said contract relating to patents.

D. If the contract includes the clause "Additional Data Requirements," claims pursuant to such clause when, within the three-year period after acceptance under the contract, the Contracting Officer requests in writing that the Contractor furnish such data.

The Contractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the terms of the said contract, including without limitation, those terms relating to notification to the Contracting Officer and relating to the defense or prosecution of litigation.

The Contractor further agrees that payments on account of claims not released as set forth above shall be subject to adjustment in accordance with the "Allowable Cost and Payment" clause, if such clause is included in the contract.

IN WITNESS WHEREOF, this release has been executed this ______________ day of ______________, 19____

____
(Contractor)

WITNESSES

______________________________ BY ______________________________

______________________________ TITLE ______________________________

(NOTE: In the case of a corporation, witnesses are not required, but the certificate below must be completed.)

CERTIFICATE

I, ______________, certify that I am the ______________________________ *(Official title)*

of the corporation named as Contractor in the foregoing release; that ______________________________

who signed said release on behalf of the Contractor was then ______________________________ *(Official title)* of

said corporation; that said release was duly signed for and on behalf of its governing body and is within the scope of its corporate powers.

____

(CORPORATE SEAL)

NASA FORM 778 DEC 84 PREVIOUS EDITIONS ARE OBSOLETE.

INSTRUCTIONS

1. The December 1984 or successor editions of this form must be used for contract subject to the Federal Acquisition Regulation and the NASA FAR Supplement.

2. Editions of this form dated prior to December 1984 must be used for contracts subject to the NASA Procurement Regulation.

NASA National Aeronautics and Space Administration	**Assignee's Release**	CONTRACT NO.

Pursuant to the terms of Contract No. ____________________ and in consideration of the sum of *(Total amounts paid and payable)* ____________________

Dollars ($ ____________________), which has been or is to be paid under the said contract by the United States of America *(hereinafter called the Government)* to the Contractor or its assignees, the ____________________ *(Assignee's name and address)*

____________________ ,(i) a corporation organized and existing under the laws of the State of ____________________ , (ii) a partnership consisting of ____________________ ,

(iii) an individual trading as ____________________ , *(hereinafter called the Assignee)*, upon receipt of that part of the said sum due under its assignment does hereby remise, release and discharge the Government, its officers, agents, and employees of all liabilities, obligations, claims, and demands whatsoever under or arising from the said contract and assignment, except:

A. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor, as follows *(If none, so state)*: ____________________

____

B. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of the said contract, which are not known to the Contractor or Assignee on the date of the execution of this release and of which the Contractor or Assignee gives notice in writing to the Contracting Officer within the time period specified in said contract.

C. Claims for reimbursement of costs, including reasonable expenses incidental thereto, incurred by the Contractor under the terms of said contract relating to patents.

D. If the contract includes the clause "Additional Data Requirements," claims pursuant to such clause when, within the three-year period after acceptance under the contract, the Contracting Officer requests in writing that the Contractor furnish such data.

The Assignee agrees, in connection with claims which are not released as set forth above, that final payment under the said contract does not modify the requirements and limitations imposed on the Contractor or Assignee by the contract or the assignment, including without limitation those terms relating to notification to the Contracting Officer and relating to the defense or prosecution of litigation.

The Assignee further agrees that payments on amount of claims not released as set forth above shall be subject to adjustment in accordance with the "Allowable Cost and Payment" clause, if such clause is included in the contract.

IN WITNESS WHEREOF, this release has been executed this ____________ day of ____________ , 19___ .

____
(Assignee)

WITNESSES

____________________ BY ____________________

____________________ TITLE ____________________

(NOTE: In case of a corporation, witnesses are not required, but the certificate below must be completed.)

CERTIFICATE

I, ____________________ , certify that I am the *(Official title)* ____________________

of the corporation named as Assignee in the foregoing release; that ____________________ who signed said release on behalf of the Assignee was then *(Official title)* ____________________ of said corporation; that said release was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(CORPORATE SEAL) ____________________

NASA FORM 779 DEC 84 PREVIOUS EDITIONS ARE OBSOLETE.

INSTRUCTIONS

1. The December 1984 or successor editions of this form must be used for contract subject to the Federal Acquisition Regulation and the NASA FAR Supplement.

2. Editions of this form dated prior to December 1984 must be used for contracts subject to the NASA Procurement Regulation.

FORMS

NASA National Aeronautics and Space Administration **Contractor's Assignment of Refunds, Rebates, Credits, and Other Amounts**	CONTRACT NO.

Pursuant to the terms of Contract No. ________________ and in consideration of the reimbursement of costs and payment of fee, as provided in the said contract and any assignment thereunder, the ______________________________
(Contractor's name and address)

____ *(hereinafter called the Contractor)* does hereby:

1. Assign, transfer, set over and release to the UNITED STATES OF AMERICA *(hereinafter called the Government)* all right, title, and interest to all refunds, rebates, credits, and other amounts *(including any interest thereon)*, arising out of the performance of the said contract, together with all the rights of action accrued or which may hereafter accrue thereunder.

2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits and other amounts *(including any interest thereon)* due or which may become due, and to promptly forward to the NASA Contracting Officer certified checks *(made payable to the National Aeronautics and Space Administration)* for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable cost when approved by the Contracting Officer as stated in the said contract and may be applied to reduce any amounts otherwise payable to the Government under the terms hereof.

3. Agree to cooperate fully with the Government as to any claim or suit in connection with refunds, rebates, credits, or other amounts due *(including any interest thereon)*; to execute any protest, pleading, application, power of attorney, or other papers in connection therewith; and to permit the Government to represent the Contractor at any hearing, trial, or other proceeding, arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this ______________ day of ______________, 19____.

____
(Contractor)

WITNESSES

______________________ BY ______________________

______________________ TITLE ______________________

NOTE: In the case of a corporation, witnesses are not required, but the certificate below must be completed.

CERTIFICATE

I, ______________________, certify that I am the ______________________
(Official Title)

______________________________ of the corporation named as Contractor in the foregoing assignment; ______________________________ who signed said assignment on behalf of the Contractor was then ______________________________ of
(Official Title)

said corporation; that said assignment was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

(CORPORATE SEAL) ______________________________

NASA FORM 780 JUN 80 PREVIOUS EDITIONS ARE OBSOLETE.

FORMS

NASA National Aeronautics and Space Administration — Assignee's Assignment of Refunds, Rebates, Credits, and Other Amounts	CONTRACT NO.

Pursuant to the terms of Contract No. ______________ and in consideration of the reimbursement of costs and payment of fee, as provided in the said contract and assignment thereunder, the ____

(Assignee's name and address)

(i) a corporation organized and existing under the laws of the state of ____________________________

(ii) a partnership consisting of ____

(iii) an individual trading as ____

(hereinafter called the Assignee), does hereby assign, transfer, set over, and release to the UNITED STATES OF AMERICA, all right, title, and interest to all refunds, rebates, credits, and other amounts *(including any interest thereon)* arising out of the performance of the said contract, together with all rights of action accrued or which may hereafter accrue thereunder.

IN WITNESS WHEREOF, this assignment has been executed this ______________ day of ______________, 19___.

____

(Assignee)

WITNESSES

____________________________ BY ____________________________

____________________________ TITLE ____________________________

(NOTE: In the case of a corporation, witnesses are not required, but the following certificate must be completed.)

CERTIFICATE

I, ____________________________, certify that I am the ____________________________

(Official Title)

of the corporation named as Assignee in the foregoing assignment; that ____________________________

who signed said assignment on behalf of the Assignee was then ____________________________

(Official Title)

of said corporation; that said assignment was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

____

(CORPORATE SEAL)

NASA FORM 781 MAR 89 PREVIOUS EDITIONS ARE OBSOLETE.

FORMS

NASA National Aeronautics and Space Administration — Report of Government - Owned/Contractor - Held Property *(All amounts rounded to even dollars)*	O.M.B. No. 2700-0017 Expires: June 30, 1987
TO: *(Enter installation name and organization code)*	FROM: *(Enter full name and address of contractor)*
VIA: *(Enter name and address of property administrator)*	

REPORTING INSTRUCTIONS

Contractors shall report all NASA-owned property, materials, and when so directed, space hardware received, acquired and/or disposed of during the reporting period. More detailed instructions are contained in Subpart 18-45.71 of the NASA FAR Supplement (NFS).

Space Hardware is required to be reported only by those contractors specifically directed by NASA management through the contracting officer (CO). The specific Space Hardware to be reported is identified in the Annual List of Selected Items of Space Hardware issued by the Director, Financial Management Division, NASA Headquarters, Washington, DC 20546. Details are reported in Schedule II and summarized on page 1, item 15.

1. This combined Government property/space hardware report provides NASA with financial data on Government-furnished or contractor-acquired property in which title is vested with the Government.

2. A separate report is required to be submitted for each contract by all NASA contractors when the Government Property Clause and Financial Reporting of Government-Owned/Contractor-Held Property Clause are included in the terms of the contract.

3. NASA prime contractors are responsible for including this reporting requirement in all first tier subcontracts where Government-owned property is to be furnished or acquired under the terms of the subcontract.

4. Four copies of this report are due in the office of the cognizant property administrator not later than July 31 for the reporting year ending June 30, when reporting is required annually. When reporting is required more frequently, the due date shall be not later than the last day of the month following the period being reported. Negative reports are required when appropriate.

5. The property administrator shall sign and indicate system status and forward three copies to the cognizant contracting officer, or his designee, within ten (10) workdays after receipt.

6. Reporting instructions are continued on page 4 of this form.

1. DATE SUBMITTED	2. REPORTING PERIOD	3. CONTRACT NO. *(Symbol and number)*	4. CONTRACT VALUE

5. REPORT STATUS *(Check one)* ▶ ☐ a. INITIAL ☐ b. INTERIM ☐ c. NEGATIVE ☐ d. FINAL

PROPERTY *(Type/Account)*	BALANCE BEGINNING OF PERIOD a.	ADDITIONS			DISPOSALS e.	BALANCE END OF PERIOD f.
		GOV'T.-FURNISHED b.	CONTRACTOR ACQUIRED FUNDING CLASSIFICATION c.	d.		
6. LAND						
7. BUILDINGS						
8. OTHER STRUCTURES AND FACILITIES						
9. LEASEHOLD IMPROVEMENTS						
10. PLANT EQUIPMENT						
11. SPECIAL TOOLING						
12. SPECIAL TEST EQUIPMENT						
13. TOTAL *(Items 6 through 12)*						
14. MATERIALS						
15. SPACE HARDWARE						

CERTIFICATION. – I certify that this analysis was prepared in accordance with NASA reporting requirements from records maintained in accordance with the Federal Acquisition Regulation (FAR), Subpart 45.5 and Subpart 18-45.5 of the NASA FAR Supplement.

SIGNATURE OF AUTHORIZED CONTRACT REPRESENTATIVE			DATE
GOV'T. PROPERTY ADMIN. REVIEW ▶	PROPERTY SYSTEM APPROVED ☐ YES ☐ NO	SIGNATURE	DATE

NASA FORM 1018 APR 86 PREVIOUS EDITIONS ARE OBSOLETE. RCS 10 PUBL00422 1.

18. SCHEDULE I – ANALYSIS OF GOVERNMENT-FURNISHED ADDITIONS *(Col. b. Page 1)* AND CONTRACTOR DISPOSALS *(Col. e, Page 1)*

	CENTER OR AGENCY *(Abbreviate)*	LAND *(Item 6)*	BUILDINGS *(Item 7)*	OTHER STRUCTURES AND FACILITIES *(Item 8)*	LEASEHOLD IMPROVE-MENTS *(Item 9)*	PLANT EQUIP-MENT *(Item 10)*	SPECIAL TOOLING *(Item 11)*	SPECIAL TEST EQUIP-MENT *(Item 12)*
GOVERNMENT-FURNISHED *(See col. b, page 1)*								
	TOTAL							
CONTRACTOR DISPOSALS *(See col. e, page 1)*								
	TOTAL							

2

19. SCHEDULE II – SPACE HARDWARE REPORTABLE ITEMS

	DESCRIPTION*	QUANTITY a.	COST *(Net)* b
COMPLETED SPACE HARDWARE, SYSTEMS AND SUBSYSTEMS			
COMPLETED COMPONENTS AND SPARE PARTS			
WORK IN PROCESS			
	TOTAL *(Transfer to item 15, column f, Page 1)* ▶		

**From Annual List of Reportable Items. Continue itemization and remarks on separate sheets.*

3.

REPORTING INSTRUCTIONS

7. The contracting officer, or his designee, shall forward one copy of this form to the cognizant Financial Management Office, and one copy to the Supply and Equipment Management Office.

8. Additional blank forms may be obtained from the cognizant property administrator.

Item 1, Date Submitted.–Enter date submitted to the property administrator.

Item 2, Reporting Period.–Enter the period being reported *(e.g., 7/1/85-6/30/86).*

Item 3, Contract No.–Enter the complete contract symbol and number under which the Government property and/or space hardware is accountable.

Item 4, Contract Value.–Enter the total estimated cost and fee *(or target fee where appropriate)* of all work to be performed under the contract as formally amended to the date of the report.

Item 5, Report Status.–Place an "x" in the appropriate box to indicate the status of this report.

Property (Type/Account).–Enter in the appropriate columns *(a through f)* amounts for each type of property *(items 6 through 12, and 14)* as defined in the Federal Acquisition Regulation (FAR), Subpart 45.5 and Subpart 18-45.5 of the NFS. Item 15, Space Hardware, shall not be reported unless specifically directed by the cognizant contracting officer *(Subsection 18-45.505-14 of the NFS).*

Column a, Balance Beginning of Period.–The amounts reported will agree with the amounts reported in column f, Balance End of Period, of the preceding report, except if this is an initial report.

Column b, Additions, Government - Furnished.–Amounts reported shall be the values designated by the Government for Government – Furnished Property (GFP) received during the reporting period. Receipts for GFP shall be detailed in Schedule I for each type/account except Materials and Space Hardware. For incomplete data on transfer documents, refer to Subpart 18-45.71 of the NFS.

Government property administrators should be contacted for assistance in obtaining prices for those items on the list. If unable to obtain prices, the contracting officer should be immediately notified.

Columns c and d, Additions, Contractor - Acquired.–Amounts shall be reported by the appropriate funding classification *(Research and Development – R&D, Construction of Facilities – C of F, Space Flight Control and Data Communications – SFCDC or Research and Program Management – R&PM).* If additional columns are needed, attach back-up sheet. On multi-funded contracts, the NASA installation shall identify the appropriate funding classification for the contractor. Include all Government-owned property acquired during the reporting period.

Column e, Disposals.–Report book costs of all disposals, including net adjustments for inventory differences, write-offs, sales, donations, and abandonments. Transfers of GFP shall be detailed in Schedule I, Analysis of Government-Furnished Additions and Contractor Disposals, for each type/account *(except Materials and Space Hardware)* showing the total amount transferred to each NASA installation and the total to other Federal agencies. Detailed lists, including shipping document references, shall be provided as required by NASA field installations.

Column f, Balance End of Period.–Report the total of columns a, b, c and d, minus e. These balances shall be maintained pursuant to FAR Subpart 45.5 and Subpart 18-45.5 of the NFS.

Schedule I, Analysis of Government - Furnished Additions and Contractor Disposals.–A detailed analysis of the amounts reported as Government-Furnished Additions *(column b)* and Contractor Disposals *(column e)* is required for each property classification *(items 6 through 12)* by NASA installations and in total for all other Federal agencies. The total amounts reported in item 13 for columns b and e should equal the amounts reported in Government-Furnished Additions and Contractor Disposals, respectively.

Schedule II, Space Hardware Reportable Items.–This schedule shall be submitted only upon the direction of the contracting officer. Once so directed, the contractor shall continue to submit this schedule until termination of the contract or notification from the contracting officer that the reportable item(s) has been deleted from the Annual List of Selected Items of Space Hardware.

Description.–Space Hardware shall be itemized in three categories as follows *(see NFS Subpart 18-45.71)*:

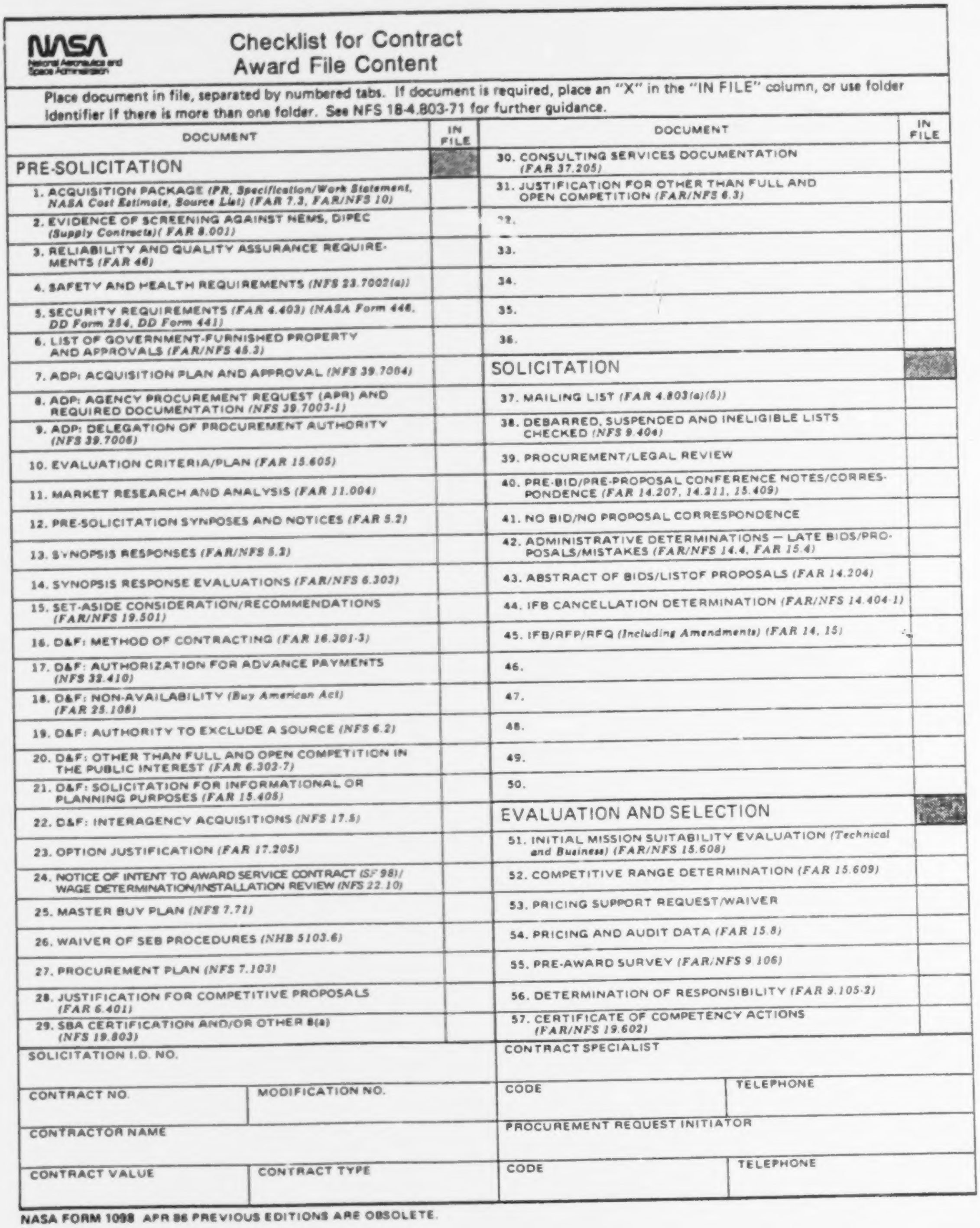
- Completed Space Hardware Systems and Subsystems.–Includes the cost *(actual or estimated)* of such items as aircraft, engines, space vehicles, satellites, spacecraft, and rockets including components provided for prototypes, mock-ups, fit checks, or for such other reasons as may be specified in the contract.

- Completed Components and Spare Parts.–Includes the cost *(actual or estimated)* of deliverable spare parts and components employed as spare parts to be used for the purposes of emergency, replacement, repair, or modification subsequent to the fabrication of Space Hardware. Do not include components utilized by the contractor which are not deliverable as spares and which are included as work in process.

- Work in Process.–Includes the actual or estimated fabrication costs as of the date of the report of undelivered Space Hardware and such associated systems, subsystems, spare parts, and components which are provided or acquired and charged to work in process pending incorporation into an end item. Also include progress payments to firm fixed-price subcontractors for undelivered items.

Quantity.–Enter the total units on hand as of the end of the reporting period, including both Government-furnished and contractor-acquired, for each line item listed under completed Space Hardware only *(excluding systems and subsystems).*

Cost (Net).–Enter the cost of each classification of Government-furnished or contractor-acquired Space Hardware *(whether fabricated or purchased)* applicable to each category of Space Hardware. Unpriced transfer documents received for GFP are to be handled in accordance with instructions above relating to Additions, Government-furnished.



NASA
National Aeronautics and Space Administration

Checklist for Contract Award File Content

Place document in file, separated by numbered tabs. If document is required, place an "X" in the "IN FILE" column, or use folder identifier if there is more than one folder. See NFS 18-4.803-71 for further guidance.

DOCUMENT	IN FILE
PRE-SOLICITATION	▨
1. ACQUISITION PACKAGE *(PR, Specification/Work Statement, NASA Cost Estimate, Source List) (FAR 7.3, FAR/NFS 10)*	
2. EVIDENCE OF SCREENING AGAINST NEMS, DIPEC *(Supply Contracts)(FAR 8.001)*	
3. RELIABILITY AND QUALITY ASSURANCE REQUIREMENTS *(FAR 46)*	
4. SAFETY AND HEALTH REQUIREMENTS *(NFS 23.7002(a))*	
5. SECURITY REQUIREMENTS *(FAR 4.403) (NASA Form 446, DD Form 254, DD Form 441)*	
6. LIST OF GOVERNMENT-FURNISHED PROPERTY AND APPROVALS *(FAR/NFS 45.3)*	
7. ADP: ACQUISITION PLAN AND APPROVAL *(NFS 39.7004)*	
8. ADP: AGENCY PROCUREMENT REQUEST (APR) AND REQUIRED DOCUMENTATION *(NFS 39.7003-1)*	
9. ADP: DELEGATION OF PROCUREMENT AUTHORITY *(NFS 39.7006)*	
10. EVALUATION CRITERIA/PLAN *(FAR 15.605)*	
11. MARKET RESEARCH AND ANALYSIS *(FAR 11.004)*	
12. PRE-SOLICITATION SYNPOSES AND NOTICES *(FAR 5.2)*	
13. SYNOPSIS RESPONSES *(FAR/NFS 5.2)*	
14. SYNOPSIS RESPONSE EVALUATIONS *(FAR/NFS 6.303)*	
15. SET-ASIDE CONSIDERATION/RECOMMENDATIONS *(FAR/NFS 19.501)*	
16. D&F: METHOD OF CONTRACTING *(FAR 16.301-3)*	
17. D&F: AUTHORIZATION FOR ADVANCE PAYMENTS *(NFS 32.410)*	
18. D&F: NON-AVAILABILITY *(Buy American Act) (FAR 25.108)*	
19. D&F: AUTHORITY TO EXCLUDE A SOURCE *(NFS 6.2)*	
20. D&F: OTHER THAN FULL AND OPEN COMPETITION IN THE PUBLIC INTEREST *(FAR 6.302-7)*	
21. D&F: SOLICITATION FOR INFORMATIONAL OR PLANNING PURPOSES *(FAR 15.405)*	
22. D&F: INTERAGENCY ACQUISITIONS *(NFS 17.5)*	
23. OPTION JUSTIFICATION *(FAR 17.205)*	
24. NOTICE OF INTENT TO AWARD SERVICE CONTRACT *(SF 98)*/ WAGE DETERMINATION/INSTALLATION REVIEW *(NFS 22.10)*	
25. MASTER BUY PLAN *(NFS 7.71)*	
26. WAIVER OF SEB PROCEDURES *(NHB 5103.6)*	
27. PROCUREMENT PLAN *(NFS 7.103)*	
28. JUSTIFICATION FOR COMPETITIVE PROPOSALS *(FAR 6.401)*	
29. SBA CERTIFICATION AND/OR OTHER 8(a) *(NFS 19.803)*	

DOCUMENT	IN FILE
30. CONSULTING SERVICES DOCUMENTATION *(FAR 37.205)*	
31. JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION *(FAR/NFS 6.3)*	
32.	
33.	
34.	
35.	
36.	
SOLICITATION	▨
37. MAILING LIST *(FAR 4.803(a)(5))*	
38. DEBARRED, SUSPENDED AND INELIGIBLE LISTS CHECKED *(NFS 9.404)*	
39. PROCUREMENT/LEGAL REVIEW	
40. PRE-BID/PRE-PROPOSAL CONFERENCE NOTES/CORRESPONDENCE *(FAR 14.207, 14.211, 15.409)*	
41. NO BID/NO PROPOSAL CORRESPONDENCE	
42. ADMINISTRATIVE DETERMINATIONS — LATE BIDS/PROPOSALS/MISTAKES *(FAR/NFS 14.4, FAR 15.4)*	
43. ABSTRACT OF BIDS/LISTOF PROPOSALS *(FAR 14.204)*	
44. IFB CANCELLATION DETERMINATION *(FAR/NFS 14.404-1)*	
45. IFB/RFP/RFQ *(Including Amendments) (FAR 14, 15)*	
46.	
47.	
48.	
49.	
50.	
EVALUATION AND SELECTION	▨
51. INITIAL MISSION SUITABILITY EVALUATION *(Technical and Business) (FAR/NFS 15.608)*	
52. COMPETITIVE RANGE DETERMINATION *(FAR 15.609)*	
53. PRICING SUPPORT REQUEST/WAIVER	
54. PRICING AND AUDIT DATA *(FAR 15.8)*	
55. PRE-AWARD SURVEY *(FAR/NFS 9.106)*	
56. DETERMINATION OF RESPONSIBILITY *(FAR 9.105-2)*	
57. CERTIFICATE OF COMPETENCY ACTIONS *(FAR/NFS 19.602)*	

SOLICITATION I.D. NO.

CONTRACT NO.

MODIFICATION NO.

CONTRACTOR NAME

CONTRACT VALUE

CONTRACT TYPE

CONTRACT SPECIALIST

CODE

TELEPHONE

PROCUREMENT REQUEST INITIATOR

CODE

TELEPHONE

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FORMS

DOCUMENT	IN FILE	DOCUMENT	IN FILE
58. EEO COMPLIANCE REVIEW *(FAR/NFS 22.805)*		AWARD	▨
59. WRITTEN/ORAL DISCUSSION RECORD *(FAR/NFS 15.610, 15.613)*		95. PRESS RELEASE *(NFS 5.303-70)*	
60. FINAL MISSION SUITABILITY EVALUATION *(Technical and Business) (FAR/NFS 15.608)*		96. POST-AWARD SYNOPSIS *(FAR 5.301)*	
61. STATEMENT AND EVALUATION OF CONTINGENT OR OTHER FEE *(SF 119) (FAR 3.405(b)(5), 3.410)*		97. INDIVIDUAL PROCUREMENT ACTION REPORT *(NASA Form 507/507A) (NFS 4.671)*	
62. PRE-AWARD NOTICES *(FAR 15.1001(b))*		98. C.A.S.E. REPORT *(NASA Form 1356) (NFS 4.7202)*	
63. NOTICE OF UNSUCCESSFUL OFFERORS *(FAR 15.1001)*		99. CONTRACT	
64. NOTICE OF SUCCESSFUL OFFERORS *(FAR 15.1002)*		100.	
65. DEBRIEFINGS *(FAR/NFS 15.1003)*		101.	
66. PROTESTS *(FAR/NFS 33.1)*		102.	
67. UNSUCCESSFUL OFFERS/QUOTATIONS *(FAR 4.803(a)(10))*		103.	
68. SUCCESSFUL OFFER *(Including Representations and Certifications)*		104.	
69. SELECTION STATEMENT *(FAR 4.803(a)(13))*		CONTRACT ADMINISTRATION	▨
70.		105. DELEGATIONS TO CONTRACT ADMINISTRATION OFFICER *(FAR/NFS 42.2)*	
71.		106. DELEGATIONS TO AUDIT OFFICES *(FAR/NFS 42.2)*	
72.		107. D&F: EXERCISE OF OPTION *(FAR 17.207)*	
73.		108. GENERAL CORRESPONDENCE	
NEGOTIATIONS	▨	109. PUBLIC VOUCHERS	
74. PRENEGOTIATION POSITION APPROVAL, INCLUDING INCENTIVE ARRANGEMENTS *(FAR/NFS 15.807, 16.305, 45.302-1(a)(4))*		110. NASA FORM 533 REPORTS *(NFS 4.675)*	
75. MAKE OR BUY DECISION *(FAR/NFS 15.706)*		111. DELIVERABLE REPORTS	
76. SUBCONTRACTING PLAN REVIEW *(FAR 19.702(a)(1), 19.705.4)*		112. NEW TECHNOLOGY REPORT(S) *(NFS 27.373(b))*	
77. NEW TECHNOLOGY/PATENTS/DATA RIGHTS *(FAR/NFS 27)*		113. FINAL ACCEPTANCE DOCUMENTATION	
78. CONTRACT DEVIATIONS *(FAR/NFS 1.4)*		114. CONTRACT CLOSEOUT CHECKLIST *(NFS 4.804-5)*	
79. CERTIFICATE OF CURRENT COST AND PRICING DATA/WAIVER *(FAR 15.804)*		115.	
80. OVERTIME PREMIUM APPROVAL *(NFS 22.103)*		116.	
81. SOFTWARE LICENSE AGREEMENTS *(NFS 27.470)*		117.	
82. PRICE NEGOTIATION MEMORANDUM *(FAR/NFS 15.808)*		118.	
83.		119.	
84.		OTHER	▨
85.		120.	
86.		121.	
REVIEW AND APPROVAL	▨	122.	
87. INSTALLATION PROCUREMENT REVIEW		123.	
88. INSTALLATION LEGAL REVIEW		124.	
89. APPROVAL OF LETTER CONTRACT *(NFS 16.603-71)*		125.	
90. CONTRACT APPROVAL *(NFS 4.103)*		126.	
91.		127.	
92.		128.	
93.		129.	
94.		130.	

FORMS

NASA National Aeronautics and Space Administration

C.A.S.E. Report on College and University Projects

PART I—TECHNICAL DATA *(To be completed by procurement request initiators)*

Procurement request initiators are required to complete part I and to include this form with their procurement requests (PR's) for certain obligations to educational institutions. Forms need not be submitted with all PR's; for details, see the brief instructions on the back of this page.

PLEASE TYPE OR PRINT LEGIBLY. ATTACH COMPLETED FORM TO PROCUREMENT REQUEST.

1. UNIVERSITY NAME, CITY AND STATE	3. PRINCIPAL INVESTIGATOR *(Two initials and surname)*	
	4. SECOND PRINCIPAL INVESTIGATOR *(If any, two initials and surname)*	
2. AD HOC DATA	5. THIRD PRINCIPAL INVESTIGATOR *(If any, two initials and surname)*	
6. PRIMARY NASA TECHNICAL OFFICER *(Two initials and surname)*	7. INSTALLATION NAME	8. MAIL CODE *(HQ only)*
9. ALT. NASA TECHNICAL OFFICER *(If any, two initials and surname)*	10. INSTALLATION NAME	11. MAIL CODE *(HQ only)*

12. WILL THIS PROJECT BE CONDUCTED IN OR BY A MEDICAL SCHOOL? ☐ YES ☐ NO

13. MAIN OBJECTIVE OF WORK *(Circle one code)*	R&D ▶	11 BASIC RESEARCH	12 APPLIED RESEARCH	13 DEVELOPMENT
	OTHER ▶	06 OTHER ACTIVITIES RELATED TO SCIENCE AND ENGINEERING	03 R&D PLANT AND EQUIPMENT	02 TRAINING GRANT *(NGT prefix only)*

14. FIELD OF SCIENCE OR ENGINEERING *(Circle the one code number which represents the most appropriate field. See instructions on reverse)*

PHYSICAL SCIENCES
11 ASTRONOMY
12 CHEMISTRY
13 PHYSICS
19 PHYSICAL SCIENCES, NEC*

MATH/COMPUTERS
21 MATHEMATICS
22 COMPUTER SCIENCES
29 MATH/COMPUTERS, NEC*

ENVIRONMENTAL SCIENCE
31 ATMOSPHERIC SCIENCES
32 GEOLOGICAL SCIENCES
33 OCEANOGRAPHY
39 ENVIRONMENTAL SCIENCES, NEC*

ENGINEERING
41 AERONAUTICAL
42 ASTRONAUTICAL
43 CHEMICAL
44 CIVIL
45 ELECTRICAL
46 MECHANICAL
47 METALLURGY AND MATERIALS
49 ENGINEERING, NEC*

LIFE SCIENCES
51 BIOLOGICAL SCIENCES
54 ENVIRONMENTAL BIOLOGY
55 AGRIC. SCIENCES
56 MEDICAL SCIENCES
59 LIFE SCIENCES, NEC*

PSYCHOLOGY
61 BIOLOGICAL
62 SOCIAL ASPECTS
69 PSYCHOLOGY, NEC*

SOCIAL SCIENCES
71 ANTHROPOLOGY
72 ECONOMICS
73 HISTORY
74 LINGUISTICS
75 POLITICAL SCIENCE
76 SOCIOLOGY
79 SOCIAL SCIENCE, NEC*

OTHER SCIENCES**
99 ALL DISCIPLINE(S)

*Not Elsewhere Classified (For interdisciplinary projects and others not listed by discipline name).
**For interdisciplinary projects which cannot be classified within any of the preceding main fields.

PART II—PROCUREMENT DATA *(To be completed by procurement office. See instructions on last page)*

15. AGREEMENT NO. *(Including prefixed letters)* 1 2 3 4 5 6 7 8 9 10 11	16. MODIFICATION NO.	17. AMOUNT OBLIGATED	18. COST SHARING PERCENTAGE

19. TYPE OF ACTION BEING REPORTED *(Circle one code number)*

1 NEW AWARD *(New agreement number assigned)*
2 ADDITIONAL FUNDS, SAME DURATION *(Excludes incremental funding)*
3 ADDITIONAL FUNDS AND TIME *(Excludes incremental funding)*
4 NO COST TIME EXTENSION
5 CHANGE IN PRINCIPAL INVESTIGATOR OR TECHNICAL OFFICER
6 INCREMENTAL FUNDING

20. TITLE OR BRIEF DESCRIPTION OF TECHNICAL PURPOSE OF AGREEMENT *(Required only for new awards)*

21. PROPOSAL TYPE *(Circle one) (See Instruction 7.16)*		22. START *(This action)*			23. END *(Completion)*			24. GOV'T SIGNATURE		
UNSOLICITED	SOLICITED	MO. a.	DAY b.	YR. c.	MO. a.	DAY b.	YR. c.	MO. a.	DAY b.	YR. c.
UC—Spec. Announcement UN—No Announcement UX—Other	SA—Ann. of Opportunity SR—RFP/RFQ SU—Advertised SX—Other									

25. SPECIAL DATA	26. VALIDATION BY RESPONSIBLE INDIVIDUAL				27. AD HOC DATA
	NAME AND INSTALLATION *(Type or print)*	MO. a.	DAY b.	YR. c.	a b c d e f g h

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(LIFT HERE: PART I INSTRUCTIONS ON BACK OF THIS PAGE)

1.ORIGINAL

INSTRUCTIONS FOR COMPLETION OF PART I BY PROCUREMENT REQUEST INITIATORS

This form must accompany all PR's for obligations to domestic or foreign colleges and universities, including their operationally affiliated nonprofit organizations or foundations (*NFS 18-4.676*). The form is not required with procurements for training of NASA employees; for non-research procurements under $5,000 made by Purchase Order; or for obligations made during close-out well after the effort is completed.

The initiator completes blocks 1-14 for new awards, and blocks 1-11 for continuations *(and blocks 13-14 if there is a change)*. Part II is completed by the procurement office.

Block 1 - Use complete college or university name to avoid confusion among institutions with similar names.

Block 2 - Ad Hoc Data. Reserved for future use.

Block 3 - The principal investigator is a person proposed by the university who bears the prime responsibility for the overall technical direction of the work.

Block 12 - University named in block 1 must have a medical school if "Yes" is checked. For investigators with multiple departmental appointments, check "Yes" if primary affiliation is with a medical school component.

Block 13 - Almost all of NASA's work in educational institutions is "R" or "D." Only a few types of projects, primarily information dissemination and conferences, fall into "Other Activities Related to Science and Engineering. "R&D definitions":

> **Research** is systematic intensive study directed toward the fuller scientific knowledge or understanding of the subject studied. Information on the distinction between basic and applied research, including examples, appears in the NASA section of the National Science Board's 10th Annual Report. *(An excerpt is available from the Headquarters Procurement Management Division.)* To summarize the definitions in the NASA context:
>
> > **Basic Research** is work directed toward an increase in fundamental knowledge, both general and specific, of properties and processes in fields relevant to aeronautical and space activities.
> >
> > **Applied Research** is the application of the knowledge gained through basic research to specific problems associated with the conduct of aeronautical and space activities.
>
> **Development** is systematic use of the knowledge and understanding gained from research, directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. It excludes quality control, routine product testing and production.

Block 14 - Location of selected disciplines in fields of science and engineering:

11 ASTRONOMY — Astrophysics.

13 PHYSICS — Acoustics; atomic and molecular; condensed matter; elementary particles; optics; plasma.

31 ATMOSPHERIC SCIENCES — Solar; weather modification; extraterrestrial atmospheres.

32 GEOLOGICAL SCIENCES — Geophysics; geodesy and gravity; geomagnetism; hydrology; geochemistry; paleomagetism; physical geography and cartography; seismology; soil sciences.

33 OCEANOGRAPHY — Chemical; geological; physical; marine geophysics.

44 CIVIL ENGINEERING — Environmental; hydrologic; sanitary; structural; transportation.

47 METALLURGY/MATERIALS ENGINEERING — Ceramic; mining; textile; welding.

49 OTHER ENGINEERING — Agricultural; industrial; management; nuclear; ocean; systems.

51 BIOLOGICAL SCIENCES *(Excludes environmental biology)* — Anatomy; biochemistry; biology; biometry and biostatistics; biophysics; botany; cell biology; entomology and parasitology; genetics; microbiology; neuroscience *(biological)*; nutrition; physiology; zoology.

54 ENVIRONMENTAL BIOLOGY — Ecosystem sciences; evolutionary biology; limnology; physiological ecology; population biology; population and biotic community ecology; systematics.

55 AGRICULTURAL SCIENCES — Agronomy; animal sciences; food science and technology; fish and wildlife; forestry; horticulture; plant sciences; soils and soil sciences; other agriculture.

56 MEDICAL SCIENCES — Internal medicine; neurology; opthalmology; otolaryngology; preventative medicine; pharmacology; psychiatry; radiology; surgery; dentistry; pharmacy; veterinary medicine, and other medical not otherwise classified.

61 PSYCHOLOGY-BIOLOGICAL — Animal behavior.

74 LINGUISTICS — Computational.

75 POLITICAL SCIENCE — Regional studies; international relations; public administration; management.

76 SOCIOLOGY — Complex organizations.

DETAILED INSTRUCTIONS FOR PROCUREMENT OFFICES*

(Initiating Office Instructions Are on Back of First Page)

CONTENTS

1.00 Need for NASA Form 1356.

2.00 Organizations for which the Form is Required

3.00 Types of Actions Requiring Form Preparation

4.00 Procurement Office Actions on Forms Provided by Procurement Request Initiators

5.00 Procurement Office Actions on Part II

6.00 Contents of Forms Initiated by Procurement Offices

7.00 How Individual Blocks on Form are Completed

8.00 Corrections to Submitted Forms

9.00 What to Do with the Form

1.00 NEED FOR NASA FORM 1356. NASA Form 1356 is the primary source of information for use in a Government-wide reporting system. It is also the basis for numerous internal NASA reports, for example, NASA's University Program, a published listing of active grants, cooperative agreements and contracts. Submission is prescribed by NFS 18-4.676 and NHB 5800.1.

2.00 ORGANIZATIONS FOR WHICH THE FORM IS REQUIRED. The NASA Form 1356 requirement applies to all procurements from domestic and foreign institutions of higher education *(colleges and universities)*, including their operationally affiliated non-profit organizations or foundations.

3.00 TYPES OF ACTIONS REQUIRING FORM PREPARATION. A NASA Form 1356 is required for each individual obligation to an educational institution, with the exception of procurements for the training of NASA employees; for non-research procurements under $5,000 made by Purchase Order; for adjustments in the estimated cost of a contract; or for negative obligations *(de-obligations)*. Reports are not necessary for obligations made during closeout for overruns, overhead changes and similar minor adjustments, unless the ending date is changed *(See 6.11)*. The requirement applies regardless of the funding instrument used *(grant, contract, cooperative agreement, purchase order, or award made under the authority of Sec. 203(c)(5) of the Space Act)*, the solicited or unsolicited nature of the proposal, the nature of supported work, the fund source within NASA, the procuring installation, or whether the funding is full, step or incremental. Forms are prepared at the basic contract or modification level; there will be only one form per modification. For each case involving a funding action, a NASA Form 1356 must be included in the procurement package by the initiator. If the NASA Form 1356 is missing or incomplete, the procurement office must rectify matters prior to execution of the final procurement documents. In addition the procurement office must initiate a NASA Form 1356 in several situations not involving obligation of funds (See 6.00).

4.00 PROCUREMENT OFFICE ACTIONS ON FORMS PROVIDED BY PROCUREMENT REQUEST INITIATORS.

4.10 Ensure blocks 1-3, 6-8, 12-14 have been completed for new awards; 1-3, 6-8 and 12 are required for other actions. Blocks 4, 5, and 9-11 must be completed whenever there are multiple investigators or technical officers.

4.20 Only one NASA Form 1356 is to be completed for each action; i.e., basic award or modification. Consolidate the data if multiple procurement requests covering a single procurement result in receipt of more than one NASA Form 1356; consult the procurement request initiators, if necessary, to obtain agreement on incompatible Part I entries.

4.30 Verify the information in blocks 1-11, paying particular attention to the following blocks:

4.31 Block 1 - University Name. Make sure the name is valid and uniquely identifies the proper institution. This is particularly important for new awards. The name of the parent university is listed rather than research foundation, institute or laboratory names. System names as "State University of New York (SUNY)," "University of Alabama," "University of Missouri," "University of California," are meaningless. The specific campus performing the work must be readily identifiable. For example, the SUNY Research Foundation in Albany negotiates awards on behalf of over 70 campuses in the state; awards made through the Foundation must be attributed to the performing campus.

4.32 Block 2 - Ad Hoc Data. Reserved for future use.

4.33 Block 3 - Principal investigator. Make sure principal investigators are as designated on the face of the award instrument. For agreements which do not specify a principal investigator, per se, university person bearing primary responsibility for overall technical direction of the project should be named. Provide a brief explanation in blocks 3-5 if there is no principal investigator for the project.

5.00 PROCUREMENT OFFICE ACTIONS ON PART II

5.10 For NEW AWARDS *(Type of Action 1)*.

5.11 Take actions described in 4.00.

5.12 Complete blocks 15, 17-24 and 26.

5.20 For ADDITIONAL FUNDS, SAME DURATION *(Type of Action 2)*.

5.21 Take actions described in 4.00.

5.22 Complete blocks 15-19, 23, 24 and 26.

5.30 For ADDITIONAL FUNDS AND TIME *(Type of Action 3)*.

5.31 Take actions described in 4.00.

5.32 Complete blocks 15-19, 21-24 and 26.

5.40 For INCREMENTAL FUNDING *(Type of Action 6)*. *(Follow this instruction if procurement request for augmenting an incrementally funded contract is received from a source external to the procurement office. If internally generated, see 6.30.)*

5.41 Take actions described in 4.00.

5.42 Complete blocks 15-19, 23, 24 and 26.

6.00 CONTENTS OF FORMS INITIATED BY PROCUREMENT OFFICES.

6.10 For NO-COST TIME EXTENSIONS *(Type of Action 4)*.

6.11 Complete blocks 1, 6-8, 15, 16 *(If applicable)*, 19, 22, 23 and 26. Treat an ending date change during close-out as a no-cost time extension *(See 3.00)*.

6.20 For CHANGE IN PRINCIPAL INVESTIGATOR OR TECHNICAL OFFICER *(Type of Action 5)*.

6.21 Complete blocks 1, 15 and 26.

6.22 Complete at least one of the following sets of blocks: 3-5; 6-8; 9-11.

6.23 ALTERNATIVE PROCEDURE. A copy of the letter of notification

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*These instructions also apply to offices making awards under Space Act Section 203(c)(5) or (6) authority.

(December 1988)

(Continued on other side)

Procurement Office Actions on Part II, continued)

to the institution regarding a change in principal investigator or technical officer may be submitted in lieu of a NASA Form 1356.

6.30 For INCREMENTAL FUNDING OF CONTRACTS *(Type of Action 6).*

6.31 Where an individual procurement request from an external source is not required *(PR initiated by procurement office, funds obligated against existing PR or "master" commiting document, etc.),* procurement office must intiate NASA Form 1356 *(See also 5.40).*

6.32 Complete blocks 1, 15-19, 23, 24 and 26.

6.33 Complete blocks 3 and 6-8 only if there has been a change since the last incremental action.

7.00 HOW INDIVIDUAL BLOCKS ON FORM ARE COMPLETED. Provide for each block only information specified on the form and in these instructions. Do not modify printed material or add explanatory notes. In the event of situations not covered by the instructions, consult the Headquarters Procurement Management Division.

7.10 Block 15 - Agreement No. Identification number must include complete prefix and suffix. Do not include modification or task order numbers, if any.

7.11 Block 16 - Modification No. Leave blank for new awards and for changes to which a modification number is not assigned.

7.12 Block 17 - Amount obligated. Report to nearest dollar only amount actually obligated by the action at hand. Do not show estimated total cost of incrementally funded contracts.

7.13 Block 18 - Cost Sharing Percentage. Use percentage figure appearing in the agreement cost sharing clause. Insert 0 if there is no cost sharing.

7.14 Block 19 - Type of Action Being Reported. In addition to the instructions in block 19, itself, note that assignment of a new modification number does not constitute a new award and that grants or cooperative agreements are, by definition, never incrementally funded.

7.15 Block 20 - Title or Brief Description of Technical Purpose of Agreement. This should be a brief, yet clear statement, suitable for public release. Avoid use of non-technical procurement-type terms or obscure abbreviations. Use of grant/cooperative agreement title or other wording on the award instrument is preferred.

7.16 Block 21 - Proposal Type. Special Announcements are Dear Colleague Letters, Space Science Notices, Applications Notices and similar widely distributed announcements of NASA's interest in receiving unsolicited proposals in certain areas. Proposals resulting from general brochures or discussion with NASA individuals would fall into the "No Announcement" category. Proposals that do not fit into the above categories would be classified as "Other."

7.17 Block 22 - Start Date This Action. For new awards, use date for which agreement authorizes initiation of effort. Where both additional funds and time *(Type of Action 3)* or no-cost extensions *(Type of Action 4)* are involved, use day next following agreement ending date as it existed before the award was made. Note that for step-funded awards *(with or without the NGL prefix)* the start date can be two to three years in the future. Leave the start date blank for Type of Action 2 *(Additional Funds, Same Duration)* and incremental funding *(Type 6).*

7.18 Block 23 - End (Completion) Date. Use ending date as shown on agreement. Include this date even if it hasnot changed since last action. For periods of performance based on variables such as successful flight experiments, give best current estimate of ending date.

7.19 Block 24 - "Gov't Signature." Use date signed by Grants or Contracting Officer.

7.20 Block 25 - Special Data. Reserved for future use.

7.21 Block 26 - Validation by Responsible Individual. Forms must be reviewed for compliance with instructions. Reviewing individual certifies that both parts I and II have been properly prepared.

7.22 Block 27 - Ad Hoc Data. Reserved for future use.

8.00 CORRECTIONS TO SUBMITTED FORMS.

8.10 Inadequately prepared forms may be returned by Headquarters to the sender's organization for correction. A covering memo will provide handling instructions.

8.20 The initiating organization may correct a previously submitted form. Such corrections must be made on a corbon or facsimile copy of the erroneous form. Insert the correct information in red so as not to obscure the original error and forward to the Headquarters University Programs Branch, Code XEU.

8.21 Correction should always be made for wrong agreement number *(Block 22)* for a new award. These and other corrections should be made no later than two months after the close of the Fiscal Year in which the error was made.

9.00 WHAT TO DO WITH FORM.

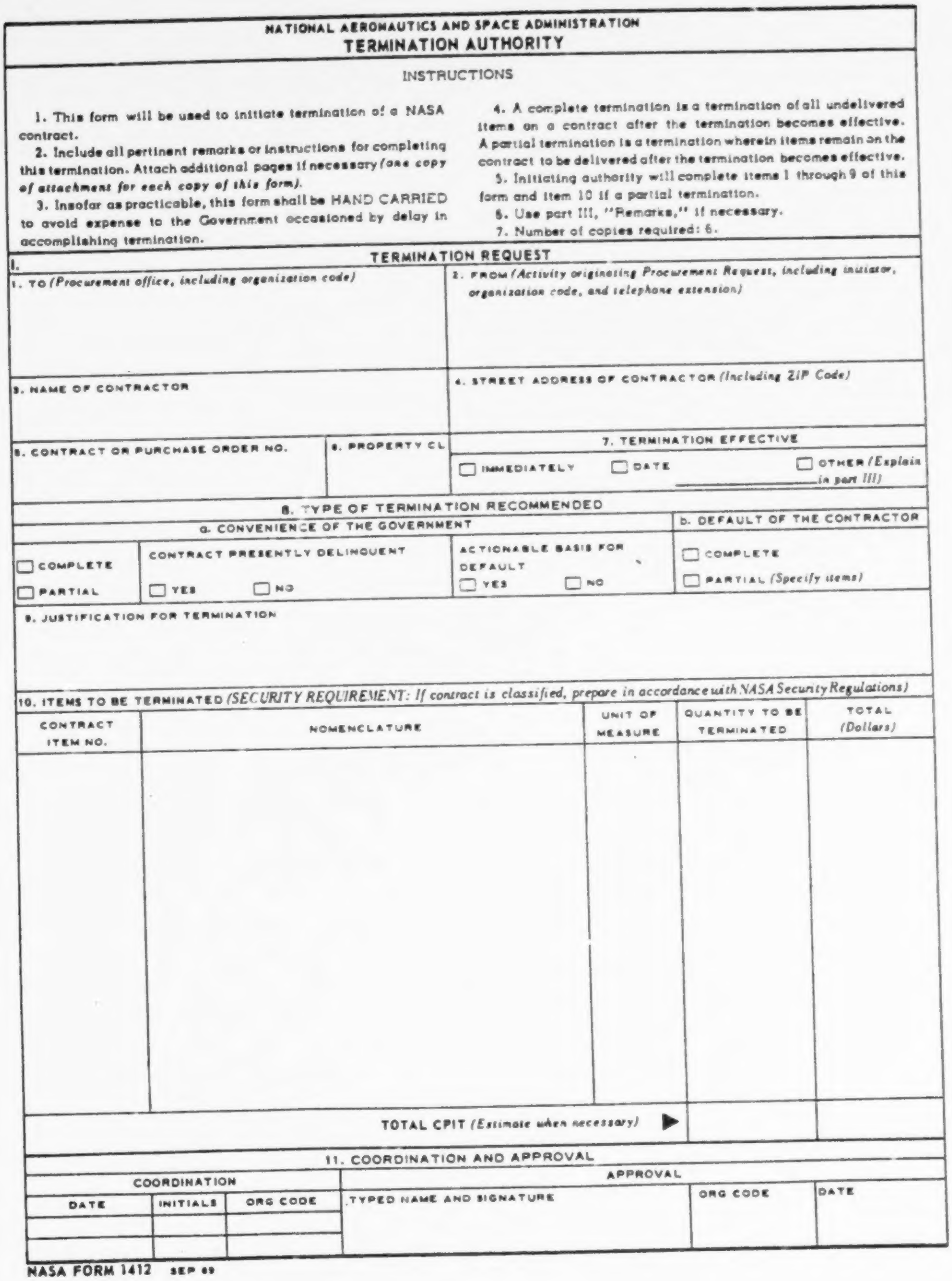
9.10 NASA Form 1356 should be completed as soon as practicable after the obligation or other action giving rise to the form is accomplished. Send it directly to Headquarters University Programs Branch, Code XEU.

9.20 Forms should be sent as soon as possible after completion. Preparation of special cover memos should be avoided to conserve resources.

9.30 Headquarters can accept only the original blue form as a final submission. Machine copies are not acceptable *(Except for corrections. See 8.20).*

9.40 Carbons should be detached before transmitting form to Headquarters. Distribution of carbons is governed by individual installation guidelines; however, a copy should be retained in the official award file for future reference.

9.50 Forms submitted more than two months after the close of the Fiscal Year in which the action occurred may not be useable. Consult Headquarters prior to submitting any such "misplaced" forms.



NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

TERMINATION AUTHORITY

INSTRUCTIONS

1. This form will be used to initiate termination of a NASA contract.
2. Include all pertinent remarks or instructions for completing this termination. Attach additional pages if necessary *(one copy of attachment for each copy of this form).*
3. Insofar as practicable, this form shall be HAND CARRIED to avoid expense to the Government occasioned by delay in accomplishing termination.
4. A complete termination is a termination of all undelivered items on a contract after the termination becomes effective. A partial termination is a termination wherein items remain on the contract to be delivered after the termination becomes effective.
5. Initiating authority will complete items 1 through 9 of this form and item 10 if a partial termination.
6. Use part III, "Remarks," if necessary.
7. Number of copies required: 6.

TERMINATION REQUEST

I.

1. TO *(Procurement office, including organization code)*	2. FROM *(Activity originating Procurement Request, including initiator, organization code, and telephone extension)*
3. NAME OF CONTRACTOR	4. STREET ADDRESS OF CONTRACTOR *(Including ZIP Code)*

5. CONTRACT OR PURCHASE ORDER NO.	6. PROPERTY CL	7. TERMINATION EFFECTIVE ☐ IMMEDIATELY ☐ DATE ☐ OTHER *(Explain in part III)*

8. TYPE OF TERMINATION RECOMMENDED

a. CONVENIENCE OF THE GOVERNMENT			b. DEFAULT OF THE CONTRACTOR
☐ COMPLETE ☐ PARTIAL	CONTRACT PRESENTLY DELINQUENT ☐ YES ☐ NO	ACTIONABLE BASIS FOR DEFAULT ☐ YES ☐ NO	☐ COMPLETE ☐ PARTIAL *(Specify items)*

9. JUSTIFICATION FOR TERMINATION

10. ITEMS TO BE TERMINATED *(SECURITY REQUIREMENT: If contract is classified, prepare in accordance with NASA Security Regulations)*

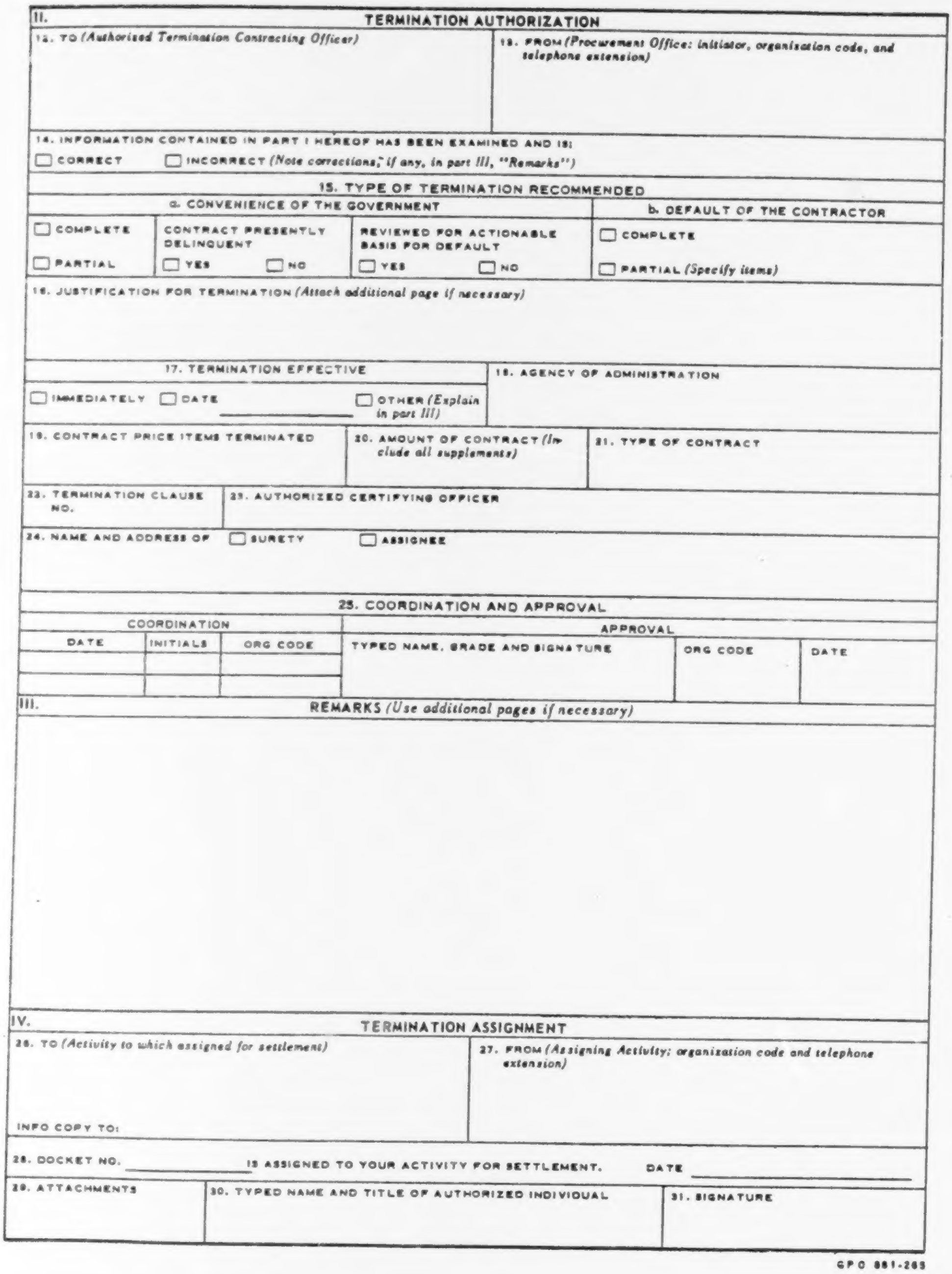
CONTRACT ITEM NO.	NOMENCLATURE	UNIT OF MEASURE	QUANTITY TO BE TERMINATED	TOTAL *(Dollars)*
	TOTAL CPIT *(Estimate when necessary)* ▶			

11. COORDINATION AND APPROVAL

COORDINATION			APPROVAL		
DATE	INITIALS	ORG CODE	TYPED NAME AND SIGNATURE	ORG CODE	DATE

NASA FORM 1412 SEP 69

FORMS



II. **TERMINATION AUTHORIZATION**

12. TO *(Authorized Termination Contracting Officer)*

13. FROM *(Procurement Office: initiator, organization code, and telephone extension)*

14. INFORMATION CONTAINED IN PART I HEREOF HAS BEEN EXAMINED AND IS:
☐ CORRECT ☐ INCORRECT *(Note corrections, if any, in part III, "Remarks")*

15. TYPE OF TERMINATION RECOMMENDED

a. CONVENIENCE OF THE GOVERNMENT			b. DEFAULT OF THE CONTRACTOR
☐ COMPLETE ☐ PARTIAL	CONTRACT PRESENTLY DELINQUENT ☐ YES ☐ NO	REVIEWED FOR ACTIONABLE BASIS FOR DEFAULT ☐ YES ☐ NO	☐ COMPLETE ☐ PARTIAL *(Specify items)*

16. JUSTIFICATION FOR TERMINATION *(Attach additional page if necessary)*

17. TERMINATION EFFECTIVE
☐ IMMEDIATELY ☐ DATE ________ ☐ OTHER *(Explain in part III)*

18. AGENCY OF ADMINISTRATION

19. CONTRACT PRICE ITEMS TERMINATED

20. AMOUNT OF CONTRACT *(Include all supplements)*

21. TYPE OF CONTRACT

22. TERMINATION CLAUSE NO.

23. AUTHORIZED CERTIFYING OFFICER

24. NAME AND ADDRESS OF ☐ SURETY ☐ ASSIGNEE

25. COORDINATION AND APPROVAL

COORDINATION			APPROVAL		
DATE	INITIALS	ORG CODE	TYPED NAME, GRADE AND SIGNATURE	ORG CODE	DATE

III. **REMARKS** *(Use additional pages if necessary)*

IV. **TERMINATION ASSIGNMENT**

26. TO *(Activity to which assigned for settlement)*

INFO COPY TO:

27. FROM *(Assigning Activity; organization code and telephone extension)*

28. DOCKET NO. ________ IS ASSIGNED TO YOUR ACTIVITY FOR SETTLEMENT. DATE ________

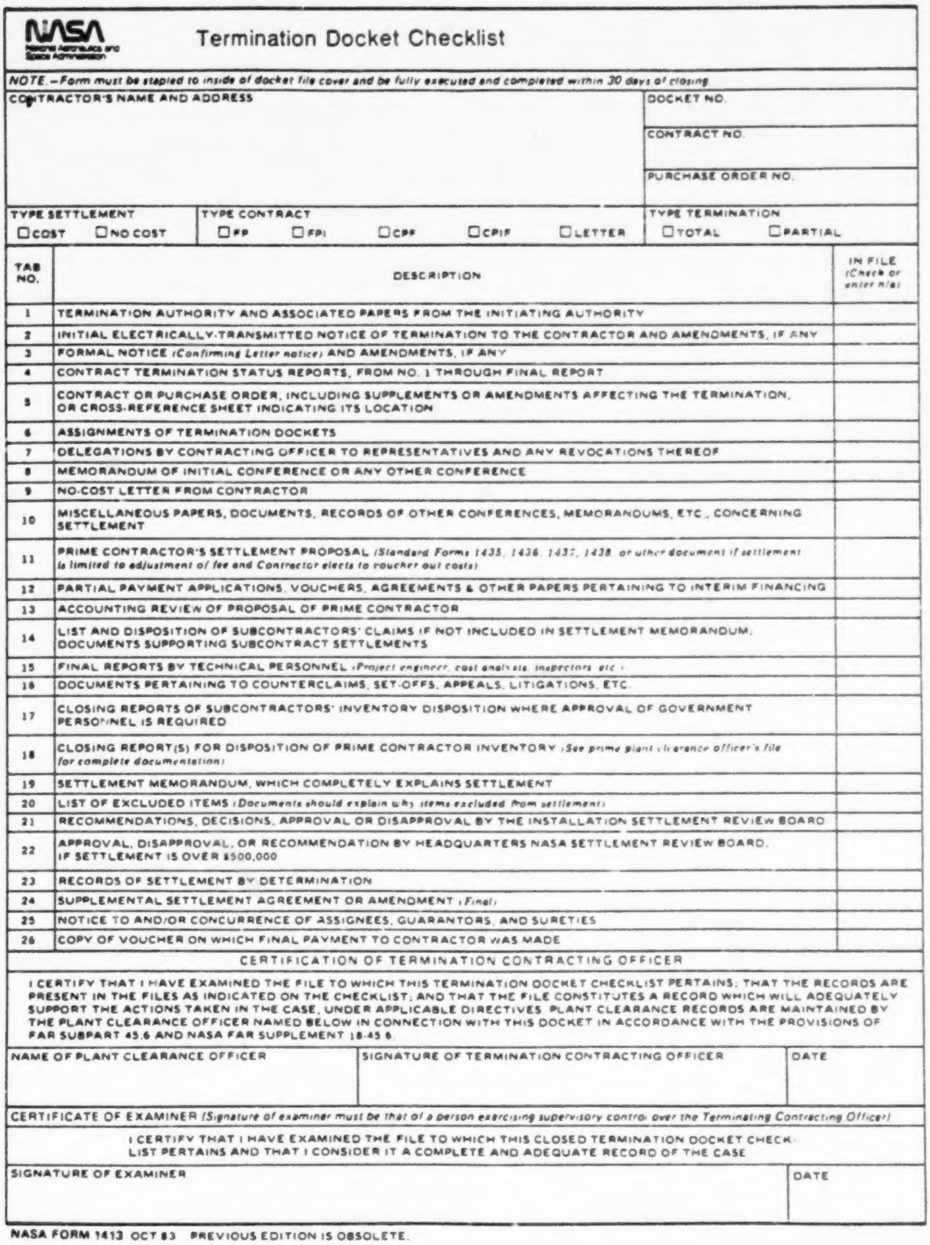
29. ATTACHMENTS

30. TYPED NAME AND TITLE OF AUTHORIZED INDIVIDUAL

31. SIGNATURE

GPO 881-265

FORMS



NASA
National Aeronautics and Space Administration

Termination Docket Checklist

NOTE.—Form must be stapled to inside of docket file cover and be fully executed and completed within 30 days of closing

CONTRACTOR'S NAME AND ADDRESS	DOCKET NO. CONTRACT NO. PURCHASE ORDER NO.

TYPE SETTLEMENT ☐ COST ☐ NO COST	TYPE CONTRACT ☐ FP ☐ FPI ☐ CPF ☐ CPIF ☐ LETTER	TYPE TERMINATION ☐ TOTAL ☐ PARTIAL

TAB NO.	DESCRIPTION	IN FILE *(Check or enter n/a)*
1	TERMINATION AUTHORITY AND ASSOCIATED PAPERS FROM THE INITIATING AUTHORITY	
2	INITIAL ELECTRICALLY-TRANSMITTED NOTICE OF TERMINATION TO THE CONTRACTOR AND AMENDMENTS, IF ANY	
3	FORMAL NOTICE *(Confirming Letter notice)* AND AMENDMENTS, IF ANY	
4	CONTRACT TERMINATION STATUS REPORTS, FROM NO. 1 THROUGH FINAL REPORT	
5	CONTRACT OR PURCHASE ORDER, INCLUDING SUPPLEMENTS OR AMENDMENTS AFFECTING THE TERMINATION, OR CROSS-REFERENCE SHEET INDICATING ITS LOCATION	
6	ASSIGNMENTS OF TERMINATION DOCKETS	
7	DELEGATIONS BY CONTRACTING OFFICER TO REPRESENTATIVES AND ANY REVOCATIONS THEREOF	
8	MEMORANDUM OF INITIAL CONFERENCE OR ANY OTHER CONFERENCE	
9	NO-COST LETTER FROM CONTRACTOR	
10	MISCELLANEOUS PAPERS, DOCUMENTS, RECORDS OF OTHER CONFERENCES, MEMORANDUMS, ETC., CONCERNING SETTLEMENT	
11	PRIME CONTRACTOR'S SETTLEMENT PROPOSAL *(Standard Forms 1435, 1436, 1437, 1438, or other document if settlement is limited to adjustment of fee and Contractor elects to voucher out costs)*	
12	PARTIAL PAYMENT APPLICATIONS, VOUCHERS, AGREEMENTS & OTHER PAPERS PERTAINING TO INTERIM FINANCING	
13	ACCOUNTING REVIEW OF PROPOSAL OF PRIME CONTRACTOR	
14	LIST AND DISPOSITION OF SUBCONTRACTORS' CLAIMS IF NOT INCLUDED IN SETTLEMENT MEMORANDUM, DOCUMENTS SUPPORTING SUBCONTRACT SETTLEMENTS	
15	FINAL REPORTS BY TECHNICAL PERSONNEL *(Project engineer, cost analysts, inspectors, etc.)*	
16	DOCUMENTS PERTAINING TO COUNTERCLAIMS, SET-OFFS, APPEALS, LITIGATIONS, ETC.	
17	CLOSING REPORTS OF SUBCONTRACTORS' INVENTORY DISPOSITION WHERE APPROVAL OF GOVERNMENT PERSONNEL IS REQUIRED	
18	CLOSING REPORT(S) FOR DISPOSITION OF PRIME CONTRACTOR INVENTORY *(See prime plant clearance officer's file for complete documentation)*	
19	SETTLEMENT MEMORANDUM, WHICH COMPLETELY EXPLAINS SETTLEMENT	
20	LIST OF EXCLUDED ITEMS *(Documents should explain why items excluded from settlement)*	
21	RECOMMENDATIONS, DECISIONS, APPROVAL OR DISAPPROVAL BY THE INSTALLATION SETTLEMENT REVIEW BOARD	
22	APPROVAL, DISAPPROVAL, OR RECOMMENDATION BY HEADQUARTERS NASA SETTLEMENT REVIEW BOARD, IF SETTLEMENT IS OVER $500,000	
23	RECORDS OF SETTLEMENT BY DETERMINATION	
24	SUPPLEMENTAL SETTLEMENT AGREEMENT OR AMENDMENT *(Final)*	
25	NOTICE TO AND/OR CONCURRENCE OF ASSIGNEES, GUARANTORS, AND SURETIES	
26	COPY OF VOUCHER ON WHICH FINAL PAYMENT TO CONTRACTOR WAS MADE	

CERTIFICATION OF TERMINATION CONTRACTING OFFICER

I CERTIFY THAT I HAVE EXAMINED THE FILE TO WHICH THIS TERMINATION DOCKET CHECKLIST PERTAINS; THAT THE RECORDS ARE PRESENT IN THE FILES AS INDICATED ON THE CHECKLIST; AND THAT THE FILE CONSTITUTES A RECORD WHICH WILL ADEQUATELY SUPPORT THE ACTIONS TAKEN IN THE CASE, UNDER APPLICABLE DIRECTIVES. PLANT CLEARANCE RECORDS ARE MAINTAINED BY THE PLANT CLEARANCE OFFICER NAMED BELOW IN CONNECTION WITH THIS DOCKET IN ACCORDANCE WITH THE PROVISIONS OF FAR SUBPART 45.6 AND NASA FAR SUPPLEMENT 18-45.6.

NAME OF PLANT CLEARANCE OFFICER	SIGNATURE OF TERMINATION CONTRACTING OFFICER	DATE

CERTIFICATE OF EXAMINER *(Signature of examiner must be that of a person exercising supervisory control over the Terminating Contracting Officer)*

I CERTIFY THAT I HAVE EXAMINED THE FILE TO WHICH THIS CLOSED TERMINATION DOCKET CHECKLIST PERTAINS AND THAT I CONSIDER IT A COMPLETE AND ADEQUATE RECORD OF THE CASE

SIGNATURE OF EXAMINER	DATE

NASA FORM 1413 OCT 83 PREVIOUS EDITION IS OBSOLETE.

NASA National Aeronautics and Space Administration Letter of Contract Administration Delegation, General	1. NASA CONTROL NO.	2. RECEIVING OFFICE CONTROL NO.
3. TO:	4. FROM:	
5. PRIME CONTRACTOR OR SUBCONTRACTOR AND PLACE OF PERFORMANCE	6. CONTRACT NO. AND DATE	7. FACE VALUE
	8. CONTRACT TYPE	9. COMPLETION DATE
10. CONTRACT END ITEM OR SERVICE *(Describe briefly)*		

11. You are hereby authorized to act as my representative in the administration of this contract. The functions delegated to you for administration are those listed in FAR 42.302 (a) and NFS 18-42.302. *(The attached NASA Forms 1430A, if any, may require that certain functions be specifically withheld and/or that others be added.)*

12. You are further authorized, within the limits of the contract, to redelegated the functions delegated to you by par. 11 above, unless redelegation authority is specifically withheld on NASA Forms 1430A attached hereto. Redelegation of functions to be performed on NASA installations, or NASA-controlled launch sites, will bedirected to the NASA Procurement Officer of the installation concerned. Should you desire that the redelegated functions be performed by other than the NASA Procurement Office receiving the delegation, your letter of redelgation shall so state.

13. The Production Surveillance category requested is_______________. *(Use only for delegations to D.O.D.)*

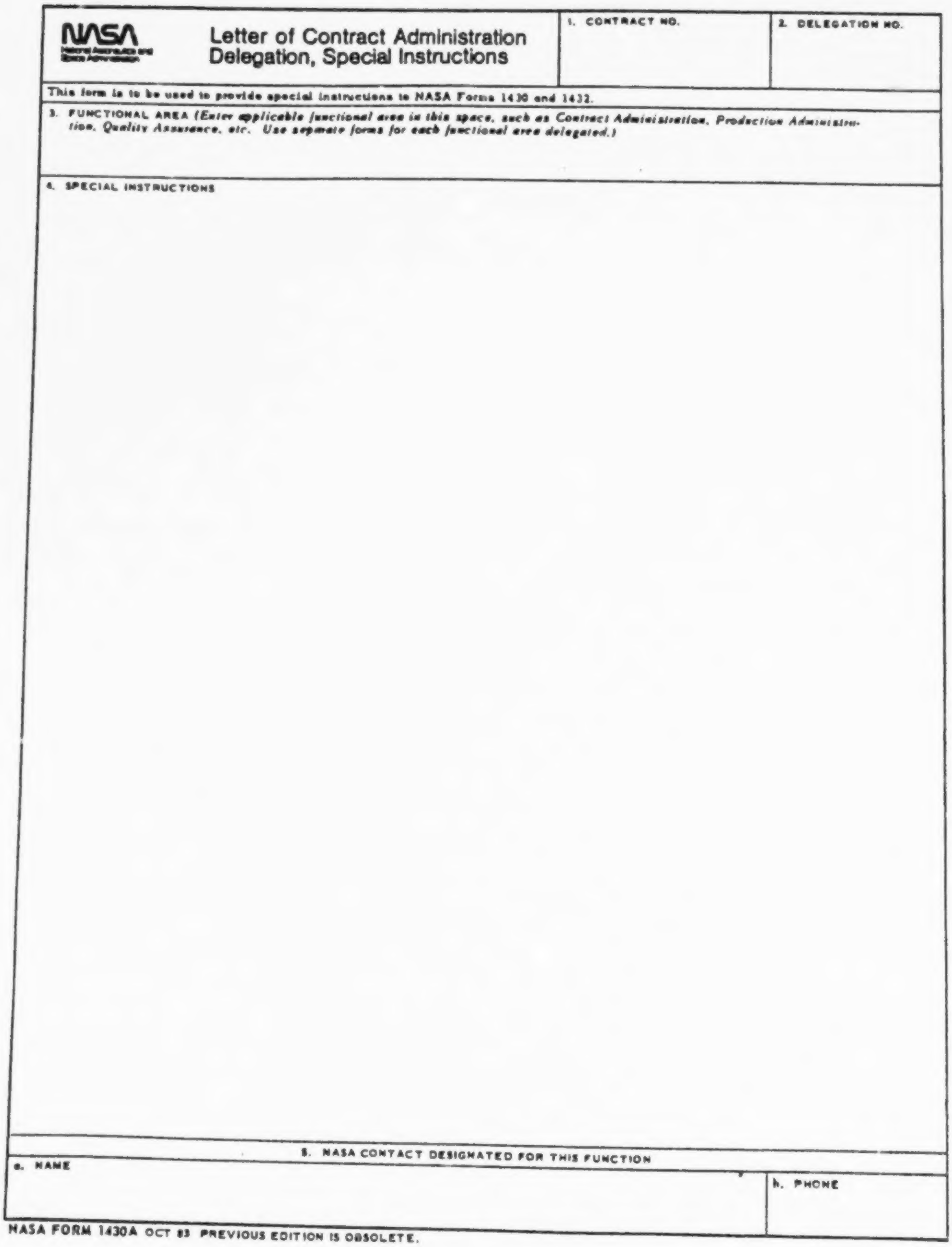
14. You are requested to provide the NASA Contracting Officer with copies of all communications relating to the administration of this contract that you consider significant.

15. Please acknowledge acceptance of this delegation by returning two signed copies of NASA Form 1431 *(attached)* to the NASA Contracting Officer within 5 days of receipt.

16. TYPED NAME OF CONTRACTING OFFICER	17. SIGNATURE OF CONTRACTING OFFICER	18. DATE SIGNED

19. NASA PERSONNEL TO CONTACT WHEN NECESSARY

NASA FORM 1430 AUG 86 PREVIOUS EDITIONS ARE OBSOLETE.



NASA Letter of Contract Administration Delegation, Special Instructions

	1. CONTRACT NO.	2. DELEGATION NO.

This form is to be used to provide special instructions to NASA Forms 1430 and 1432.

3. FUNCTIONAL AREA *(Enter applicable functional area in this space, such as Contract Administration, Production Administration, Quality Assurance, etc. Use separate forms for each functional area delegated.)*

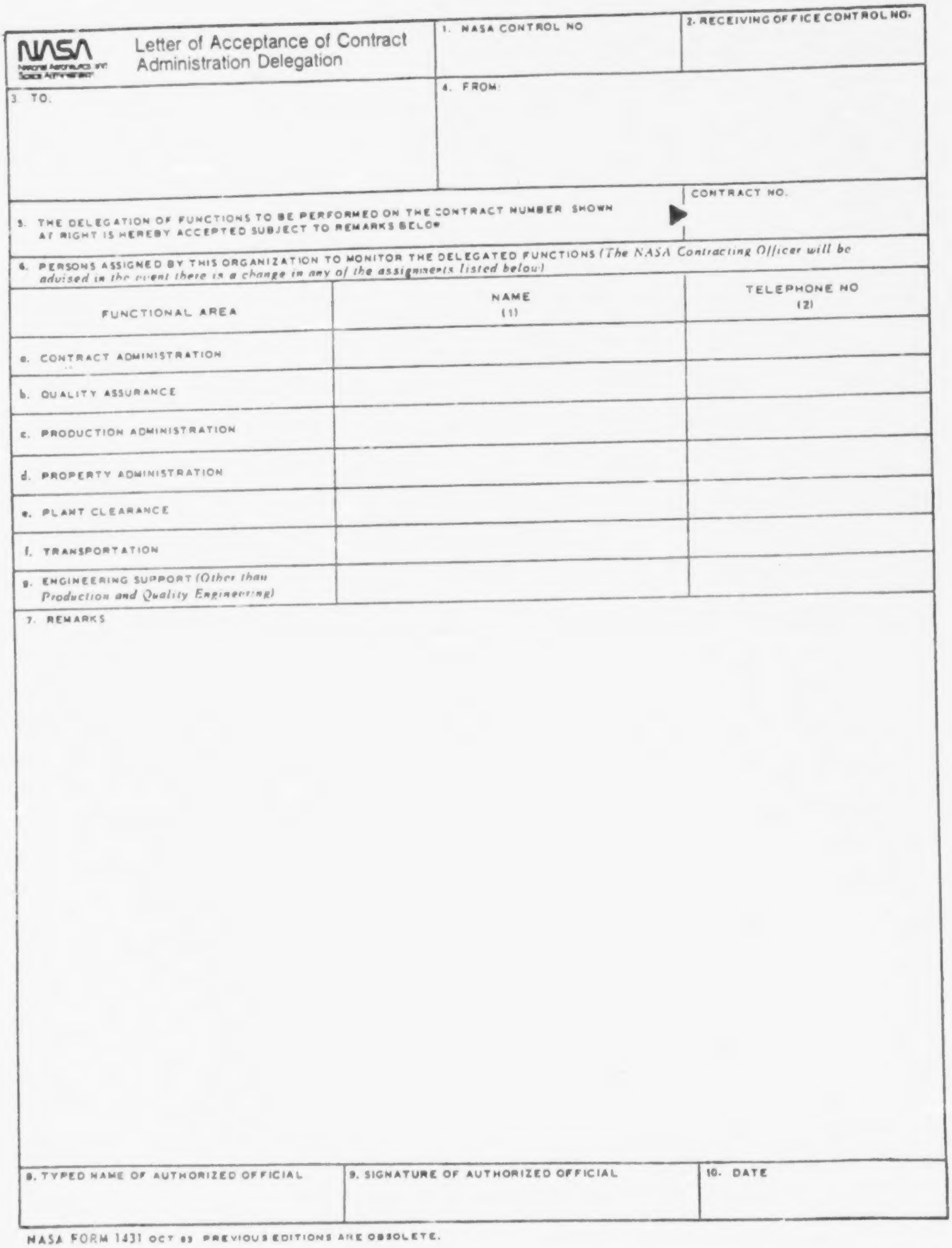
4. SPECIAL INSTRUCTIONS

5. NASA CONTACT DESIGNATED FOR THIS FUNCTION

a. NAME	b. PHONE

NASA FORM 1430A OCT 83 PREVIOUS EDITION IS OBSOLETE.

FORMS



NASA National Aeronautics and Space Administration

Letter of Acceptance of Contract Administration Delegation

	1. NASA CONTROL NO	2. RECEIVING OFFICE CONTROL NO.
3. TO:	4. FROM:	
5. THE DELEGATION OF FUNCTIONS TO BE PERFORMED ON THE CONTRACT NUMBER SHOWN AT RIGHT IS HEREBY ACCEPTED SUBJECT TO REMARKS BELOW ▶		CONTRACT NO.

6. PERSONS ASSIGNED BY THIS ORGANIZATION TO MONITOR THE DELEGATED FUNCTIONS *(The NASA Contracting Officer will be advised in the event there is a change in any of the assignments listed below)*

FUNCTIONAL AREA	NAME (1)	TELEPHONE NO (2)
a. CONTRACT ADMINISTRATION		
b. QUALITY ASSURANCE		
c. PRODUCTION ADMINISTRATION		
d. PROPERTY ADMINISTRATION		
e. PLANT CLEARANCE		
f. TRANSPORTATION		
g. ENGINEERING SUPPORT *(Other than Production and Quality Engineering)*		

7. REMARKS

8. TYPED NAME OF AUTHORIZED OFFICIAL	9. SIGNATURE OF AUTHORIZED OFFICIAL	10. DATE

NASA FORM 1431 OCT 83 PREVIOUS EDITIONS ARE OBSOLETE.

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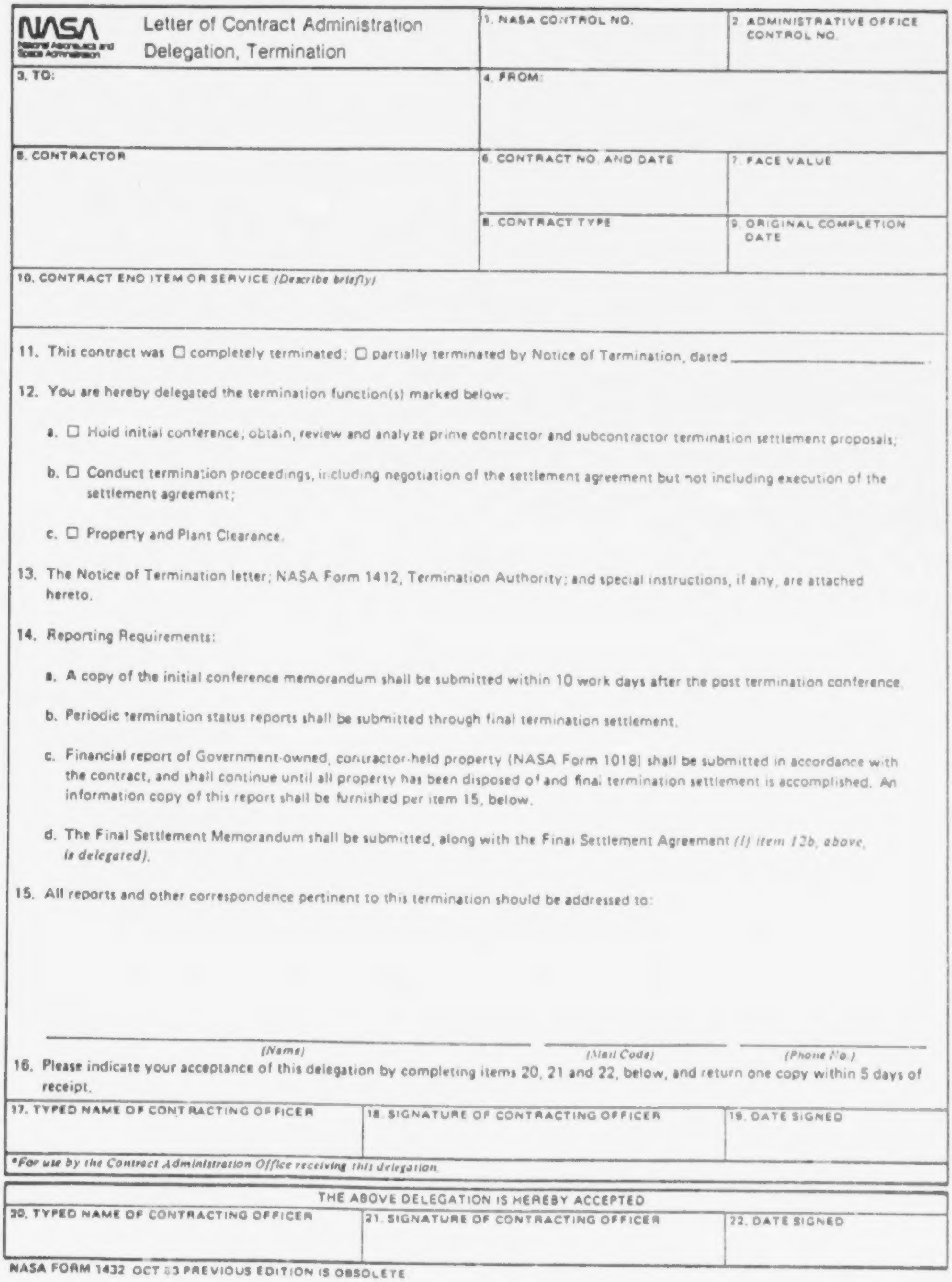


NASA National Aeronautics and Space Administration — Letter of Contract Administration Delegation, Termination	1. NASA CONTROL NO.	2. ADMINISTRATIVE OFFICE CONTROL NO.
3. TO:	4. FROM:	
5. CONTRACTOR	6. CONTRACT NO. AND DATE	7. FACE VALUE
	8. CONTRACT TYPE	9. ORIGINAL COMPLETION DATE
10. CONTRACT END ITEM OR SERVICE *(Describe briefly)*		

11. This contract was ☐ completely terminated; ☐ partially terminated by Notice of Termination, dated ______________.

12. You are hereby delegated the termination function(s) marked below:

a. ☐ Hold initial conference; obtain, review and analyze prime contractor and subcontractor termination settlement proposals;

b. ☐ Conduct termination proceedings, including negotiation of the settlement agreement but not including execution of the settlement agreement;

c. ☐ Property and Plant Clearance.

13. The Notice of Termination letter; NASA Form 1412, Termination Authority; and special instructions, if any, are attached hereto.

14. Reporting Requirements:

a. A copy of the initial conference memorandum shall be submitted within 10 work days after the post termination conference.

b. Periodic termination status reports shall be submitted through final termination settlement.

c. Financial report of Government-owned, contractor-held property (NASA Form 1018) shall be submitted in accordance with the contract, and shall continue until all property has been disposed of and final termination settlement is accomplished. An information copy of this report shall be furnished per item 15, below.

d. The Final Settlement Memorandum shall be submitted, along with the Final Settlement Agreement *(If item 12b, above, is delegated)*.

15. All reports and other correspondence pertinent to this termination should be addressed to:

______________________ ______________ ______________
(Name) *(Mail Code)* *(Phone No.)*

16. Please indicate your acceptance of this delegation by completing items 20, 21 and 22, below, and return one copy within 5 days of receipt.

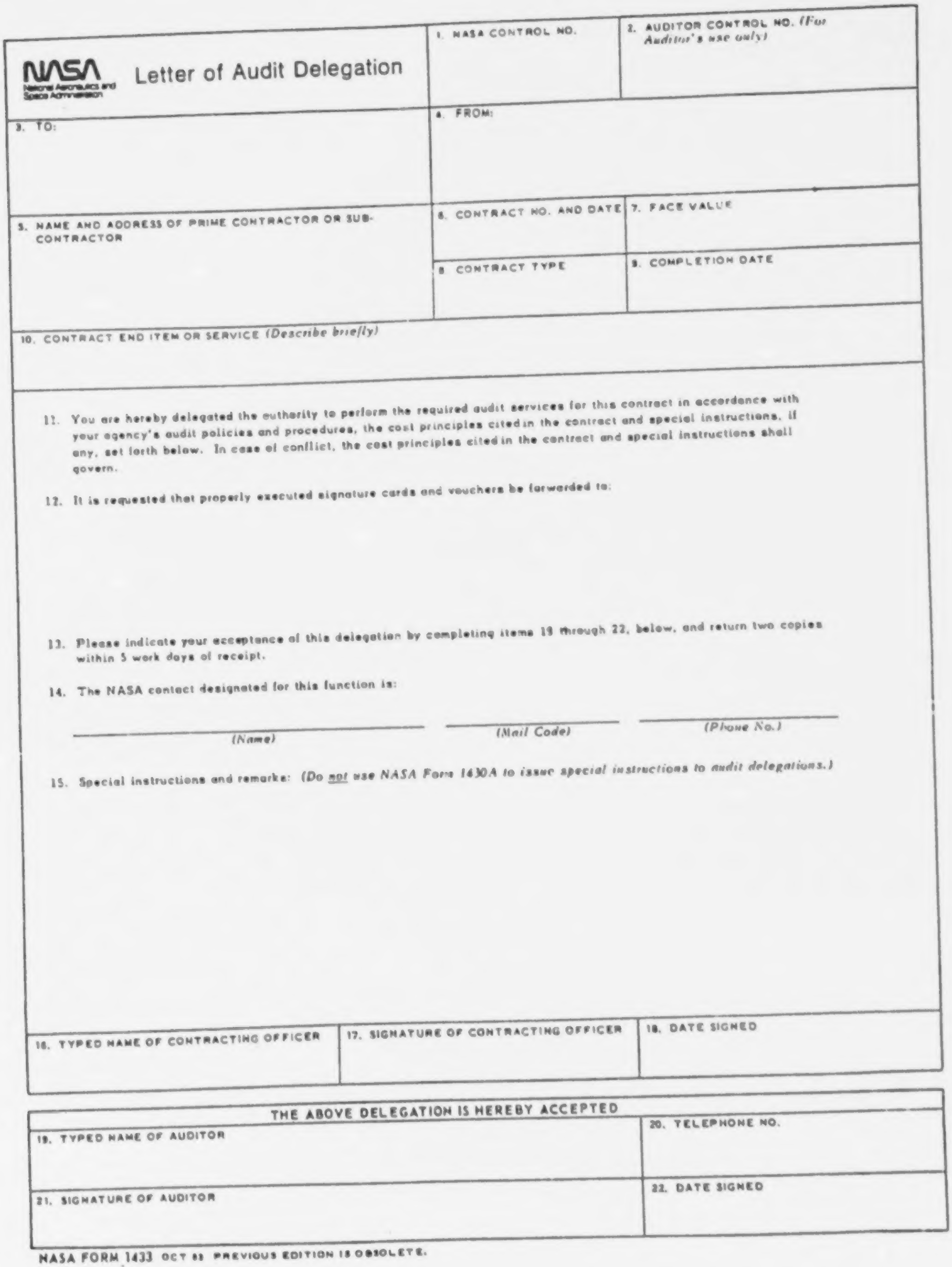
17. TYPED NAME OF CONTRACTING OFFICER	18. SIGNATURE OF CONTRACTING OFFICER	19. DATE SIGNED

**For use by the Contract Administration Office receiving this delegation.*

THE ABOVE DELEGATION IS HEREBY ACCEPTED

20. TYPED NAME OF CONTRACTING OFFICER	21. SIGNATURE OF CONTRACTING OFFICER	22. DATE SIGNED

NASA FORM 1432 OCT 83 PREVIOUS EDITION IS OBSOLETE



NASA National Aeronautics and Space Administration **Letter of Audit Delegation**	1. NASA CONTROL NO.	2. AUDITOR CONTROL NO. *(For Auditor's use only)*
3. TO:	4. FROM:	
5. NAME AND ADDRESS OF PRIME CONTRACTOR OR SUB-CONTRACTOR	6. CONTRACT NO. AND DATE	7. FACE VALUE
	8. CONTRACT TYPE	9. COMPLETION DATE
10. CONTRACT END ITEM OR SERVICE *(Describe briefly)*		

11. You are hereby delegated the authority to perform the required audit services for this contract in accordance with your agency's audit policies and procedures, the cost principles cited in the contract and special instructions, if any, set forth below. In case of conflict, the cost principles cited in the contract and special instructions shall govern.

12. It is requested that properly executed signature cards and vouchers be forwarded to:

13. Please indicate your acceptance of this delegation by completing items 19 through 22, below, and return two copies within 5 work days of receipt.

14. The NASA contact designated for this function is:

(Name) *(Mail Code)* *(Phone No.)*

15. Special instructions and remarks: *(Do not use NASA Form 1430A to issue special instructions to audit delegations.)*

16. TYPED NAME OF CONTRACTING OFFICER	17. SIGNATURE OF CONTRACTING OFFICER	18. DATE SIGNED

THE ABOVE DELEGATION IS HEREBY ACCEPTED

19. TYPED NAME OF AUDITOR	20. TELEPHONE NO.
21. SIGNATURE OF AUDITOR	22. DATE SIGNED

NASA FORM 1433 OCT 83 PREVIOUS EDITION IS OBSOLETE.

NASA National Aeronautics and Space Administration **Letter of Request for Pricing-Audit-Technical Evaluation Services**	1. NASA CONTROL NO.	2. RECEIVING OFFICE CONTROL NO.
3. TO:	4. FROM:	
5. PRIME CONTRACTOR OR SUBCONTRACTOR NAME AND ADDRESS	6. CONTRACT NO.	7. PROPOSAL, RFP OR MODIFICATION REFERENCE, IF NOT ENCLOSED *(See item 12)*
	8. CONTRACT TYPE	9. DATE REQUIRED

10. NASA CONTACT FOR THIS REQUEST *(Name, Office Code and Phone)*

11. SERVICES REQUESTED *(See item 2 of instructions)*

- ☐ a. PROVIDE COST ANALYSIS, INCLUDING AUDIT, TOGETHER WITH A COVER MEMO SUMMARIZING ALL PERTINENT FACTORS CONSIDERED NECESSARY FOR NEGOTIATING.
- ☐ b. PROVIDE RATES AND FACTORS DATA, INCLUDING LATEST AVAILABLE ACTUALS.
- ☐ c. PROVIDE INCURRED HOURS/COSTS.
- ☐ d. PROVIDE AUDIT ONLY.
- ☐ e. PROVIDE COMMENTS ON ANY PROPOSAL ELEMENTS CONSIDERED TO BE INADEQUATELY SUPPORTED BY PRICE AND COSTING DATA *(PL 87-653)*.
- ☐ f. PROVIDE TECHNICAL EVALUATION.
- ☐ g. PROVIDE VERBAL REPORT BY REQUIRED DATE *(Item 9, above)*.
- ☐ h. PROVIDE STATEMENT THAT CAS DISCLOSURE STATEMENT IS ADEQUATE.
- ☐ i. OTHER *(Specify here and on continuation sheets if necessary)*.

12. ENCLOSURES *(Check and identify)*

☐ a. RFP ______ ☐ b. TECHNICAL PROPOSAL ______

☐ c. COST PROPOSAL ______ ☐ d. OTHER ______

13. INFORMATION COPIES SENT TO *(Organization and location)*

14. ATTENTION RECEIVING OFFICE. – Please acknowledge below and return one copy to the requesting office within 5 work days. If required date in item 9 above cannot be met, please contact the individual named in item 10.

15. TYPED NAME OF REQUESTOR	16. SIGNATURE OF REQUESTOR	17. DATE SIGNED

THE ABOVE REQUEST FOR SERVICES IS HEREBY ACKNOWLEDGED

18. DATE SERVICES WILL BE FURNISHED	19. CONTACT FOR THIS REQUEST *(Name and phone)*	20. REFER INQUIRIES TO THE FOLLOWING CONTROL NO.
21. TYPED NAME	22. SIGNATURE	23. DATE SIGNED

NASA FORM 1434 OCT 83 PREVIOUS EDITIONS ARE OBSOLETE.

INSTRUCTIONS

1. The purpose of this form is to standardize requests for specific one-time services or information from contract administration and audit offices. It should be used in conjunction with any contract whether or not the contract has been delegated for contract administration or audit, and for services required on procurements that are in the pre-award phase. This form shall *not* be used to request pre-award surveys in lieu of Standard Forms 1403 through 1408, nor to delegate contract administration or audit functions covered by NASA Forms 1430, 1430A, 1432 and 1433.

2. When completing item 11, the services desired *should be clearly marked and/or described in continuation sheets* to preclude servicing organizations from furnishing expensive services over and above those actually needed. Continuation sheets should also be used in conjunction with item 11 to provide sufficient background information to assist the servicing organization in furnishing the quality of service desired, such as the criticality of the work to be performed, importance of the delivery schedule, the caliber of the contractor personnel desired, etc.

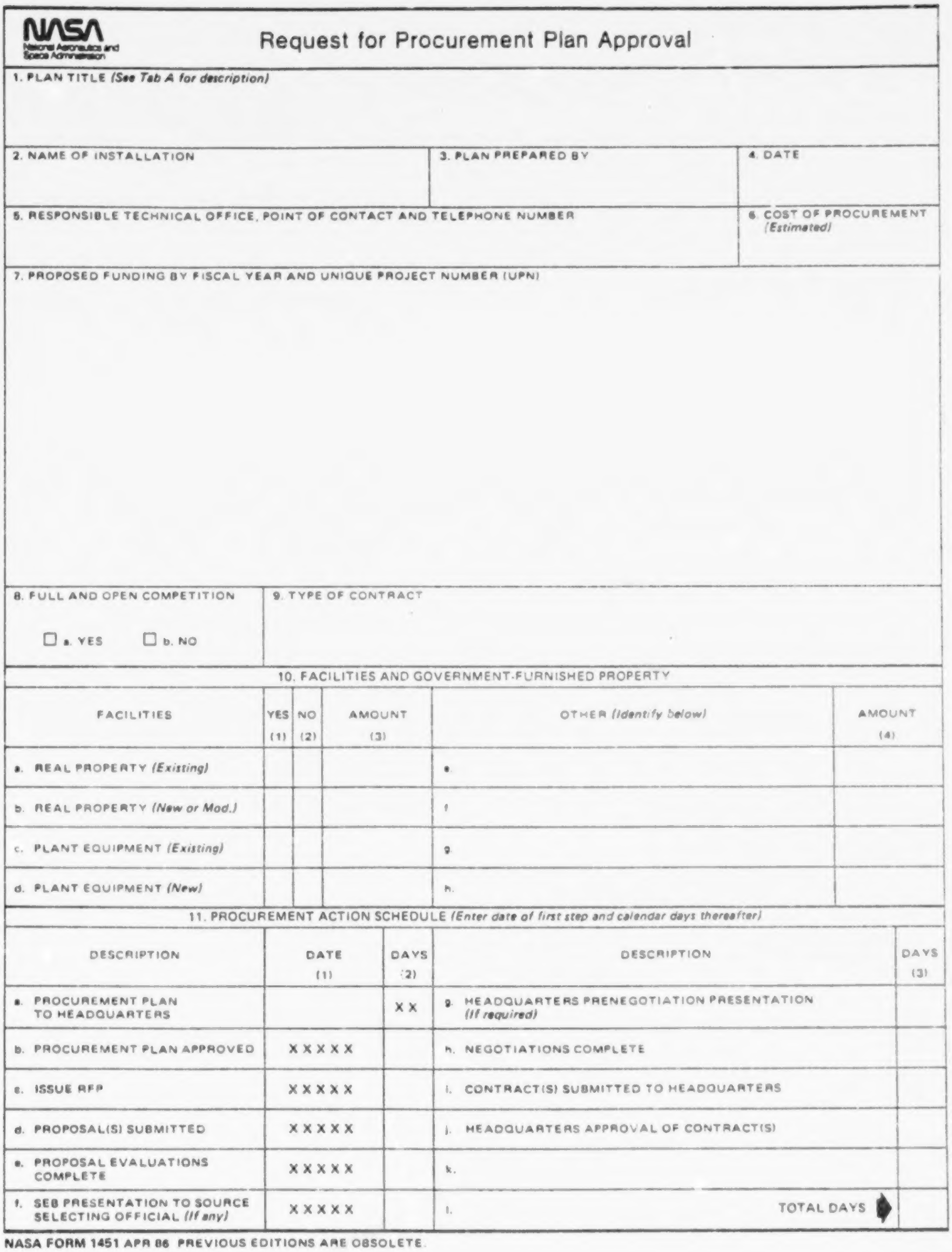
3. Distribution of the form should include at least the following but may be adjusted to satisfy NASA contracting officers or servicing organizations:

   a. Original and 1 copy to the servicing organization.

   b. Information copy to the cognizant auditor if service is requested of a contract administration officer, or an information copy to the contract administration office concerned if service is requested of the cognizant auditor.

   c. Information copies to cognizant DCAA on-site Procurement Liaison Auditors, if applicable.

4. The requirement for use of this form does not preclude the use of oral and TWX requests when there is need for expedited service; however, such requests should furnish most of the information contained on the form and should request written acknowledgement to include the data shown in items 18 through 23. Care should be taken when using TWX requests to assure that appropriate distribution is made. Oral requests should be confirmed by use of this form.



NASA
National Aeronautics and Space Administration

Request for Procurement Plan Approval

1. PLAN TITLE *(See Tab A for description)*		
2. NAME OF INSTALLATION	3. PLAN PREPARED BY	4. DATE
5. RESPONSIBLE TECHNICAL OFFICE, POINT OF CONTACT AND TELEPHONE NUMBER		6. COST OF PROCUREMENT *(Estimated)*
7. PROPOSED FUNDING BY FISCAL YEAR AND UNIQUE PROJECT NUMBER (UPN)		
8. FULL AND OPEN COMPETITION ☐ a. YES ☐ b. NO	9. TYPE OF CONTRACT	

10. FACILITIES AND GOVERNMENT-FURNISHED PROPERTY

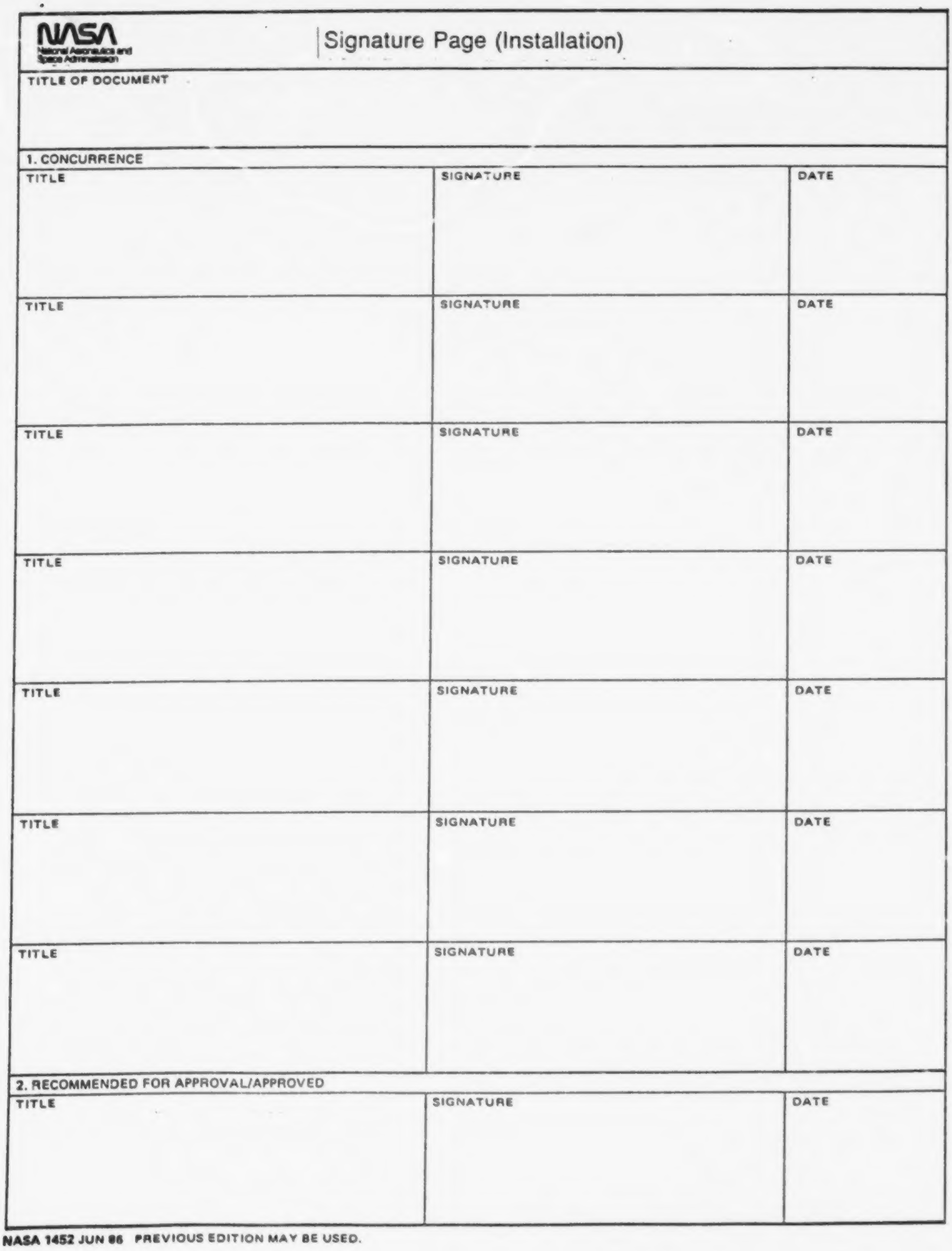
FACILITIES	YES (1)	NO (2)	AMOUNT (3)	OTHER *(Identify below)*	AMOUNT (4)
a. REAL PROPERTY *(Existing)*				e.	
b. REAL PROPERTY *(New or Mod.)*				f.	
c. PLANT EQUIPMENT *(Existing)*				g.	
d. PLANT EQUIPMENT *(New)*				h.	

11. PROCUREMENT ACTION SCHEDULE *(Enter date of first step and calendar days thereafter)*

DESCRIPTION	DATE (1)	DAYS (2)	DESCRIPTION	DAYS (3)
a. PROCUREMENT PLAN TO HEADQUARTERS		XX	g. HEADQUARTERS PRENEGOTIATION PRESENTATION *(If required)*	
b. PROCUREMENT PLAN APPROVED	XXXXX		h. NEGOTIATIONS COMPLETE	
c. ISSUE RFP	XXXXX		i. CONTRACT(S) SUBMITTED TO HEADQUARTERS	
d. PROPOSAL(S) SUBMITTED	XXXXX		j. HEADQUARTERS APPROVAL OF CONTRACT(S)	
e. PROPOSAL EVALUATIONS COMPLETE	XXXXX		k.	
f. SEB PRESENTATION TO SOURCE SELECTING OFFICIAL *(If any)*	XXXXX		l. TOTAL DAYS ➧	

NASA FORM 1451 APR 86 PREVIOUS EDITIONS ARE OBSOLETE.

FORMS

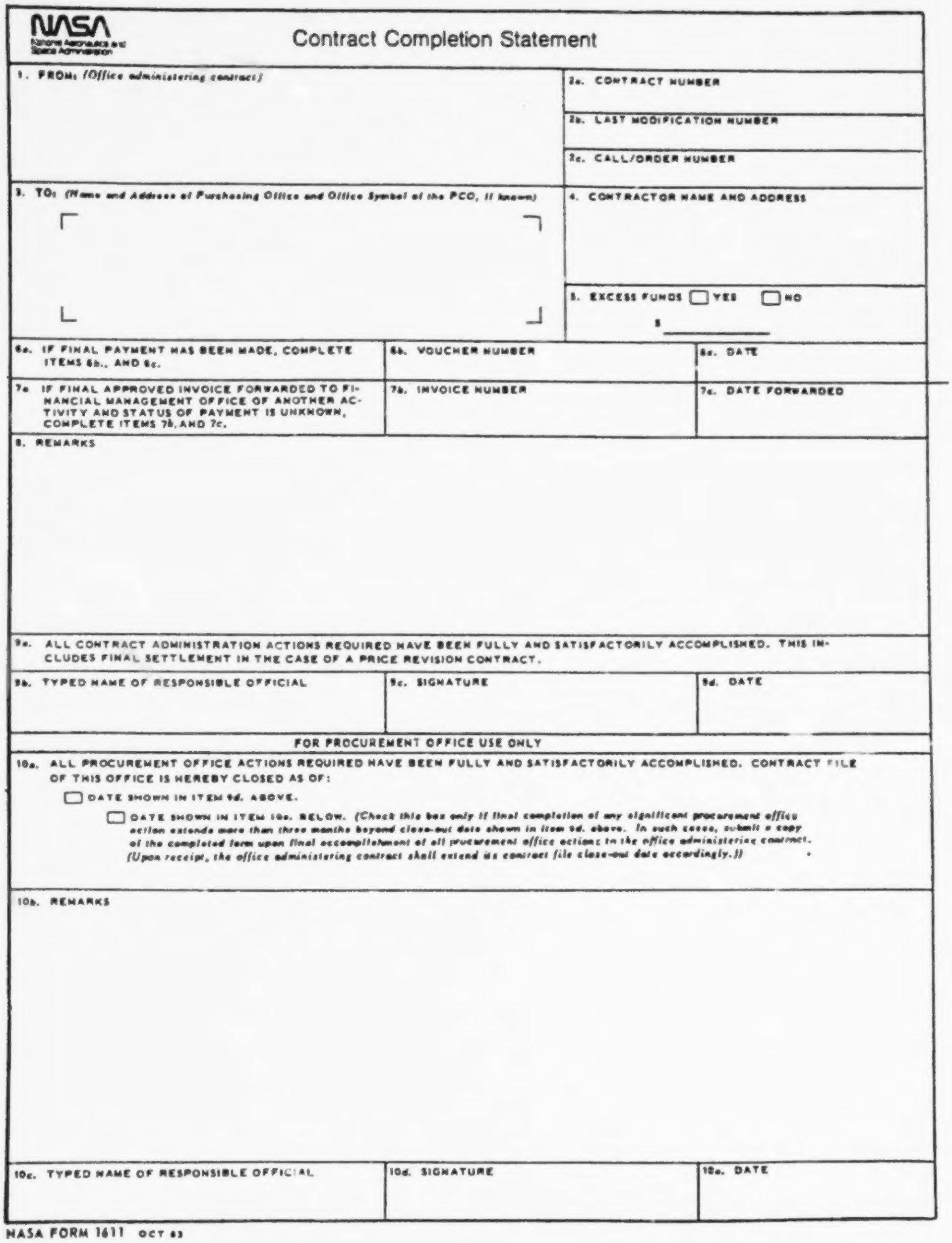


NASA
National Aeronautics and Space Administration

Signature Page (Installation)

TITLE OF DOCUMENT		
1. CONCURRENCE		
TITLE	SIGNATURE	DATE
TITLE	SIGNATURE	DATE
TITLE	SIGNATURE	DATE
TITLE	SIGNATURE	DATE
TITLE	SIGNATURE	DATE
TITLE	SIGNATURE	DATE
TITLE	SIGNATURE	DATE
2. RECOMMENDED FOR APPROVAL/APPROVED		
TITLE	SIGNATURE	DATE

NASA 1452 JUN 86 PREVIOUS EDITION MAY BE USED.



NASA
National Aeronautics and Space Administration

Contract Completion Statement

1. FROM: *(Office administering contract)*

2a. CONTRACT NUMBER

2b. LAST MODIFICATION NUMBER

2c. CALL/ORDER NUMBER

3. TO: *(Name and Address of Purchasing Office and Office Symbol of the PCO, if known)*

4. CONTRACTOR NAME AND ADDRESS

5. EXCESS FUNDS ☐ YES ☐ NO

$ ____________

6a. IF FINAL PAYMENT HAS BEEN MADE, COMPLETE ITEMS 6b., AND 6c.	6b. VOUCHER NUMBER	6c. DATE
7a IF FINAL APPROVED INVOICE FORWARDED TO FINANCIAL MANAGEMENT OFFICE OF ANOTHER ACTIVITY AND STATUS OF PAYMENT IS UNKNOWN, COMPLETE ITEMS 7b, AND 7c.	7b. INVOICE NUMBER	7c. DATE FORWARDED

8. REMARKS

9a. ALL CONTRACT ADMINISTRATION ACTIONS REQUIRED HAVE BEEN FULLY AND SATISFACTORILY ACCOMPLISHED. THIS INCLUDES FINAL SETTLEMENT IN THE CASE OF A PRICE REVISION CONTRACT.

9b. TYPED NAME OF RESPONSIBLE OFFICIAL	9c. SIGNATURE	9d. DATE

FOR PROCUREMENT OFFICE USE ONLY

10a. ALL PROCUREMENT OFFICE ACTIONS REQUIRED HAVE BEEN FULLY AND SATISFACTORILY ACCOMPLISHED. CONTRACT FILE OF THIS OFFICE IS HEREBY CLOSED AS OF:

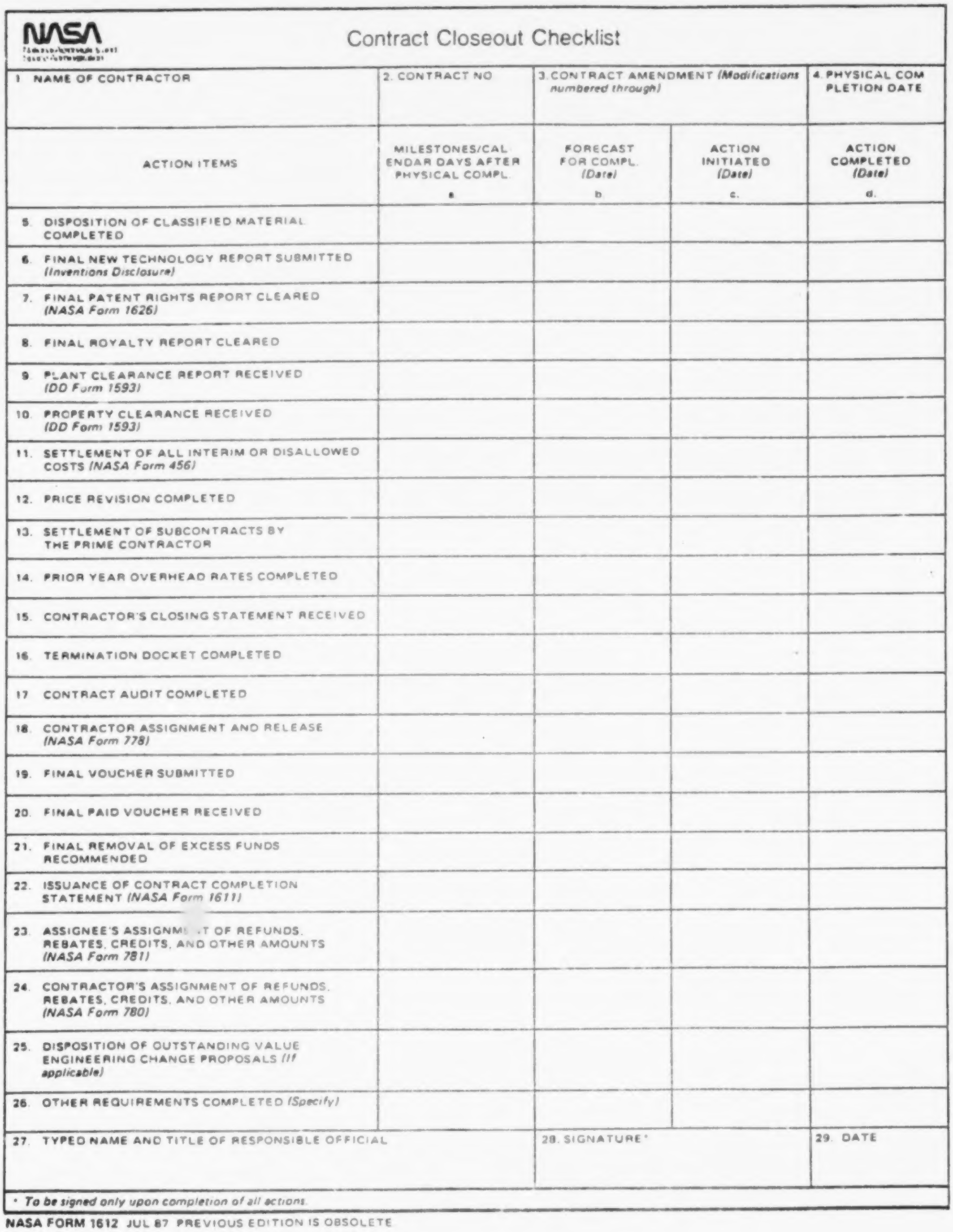
☐ DATE SHOWN IN ITEM 9d. ABOVE.

☐ DATE SHOWN IN ITEM 10e. BELOW. *(Check this box only if final completion of any significant procurement office action extends more than three months beyond close-out date shown in item 9d. above. In such cases, submit a copy of the completed form upon final accomplishment of all procurement office actions to the office administering contract. (Upon receipt, the office administering contract shall extend its contract file close-out date accordingly.))*

10b. REMARKS

10c. TYPED NAME OF RESPONSIBLE OFFICIAL	10d. SIGNATURE	10e. DATE

NASA FORM 1611 OCT 83



NASA

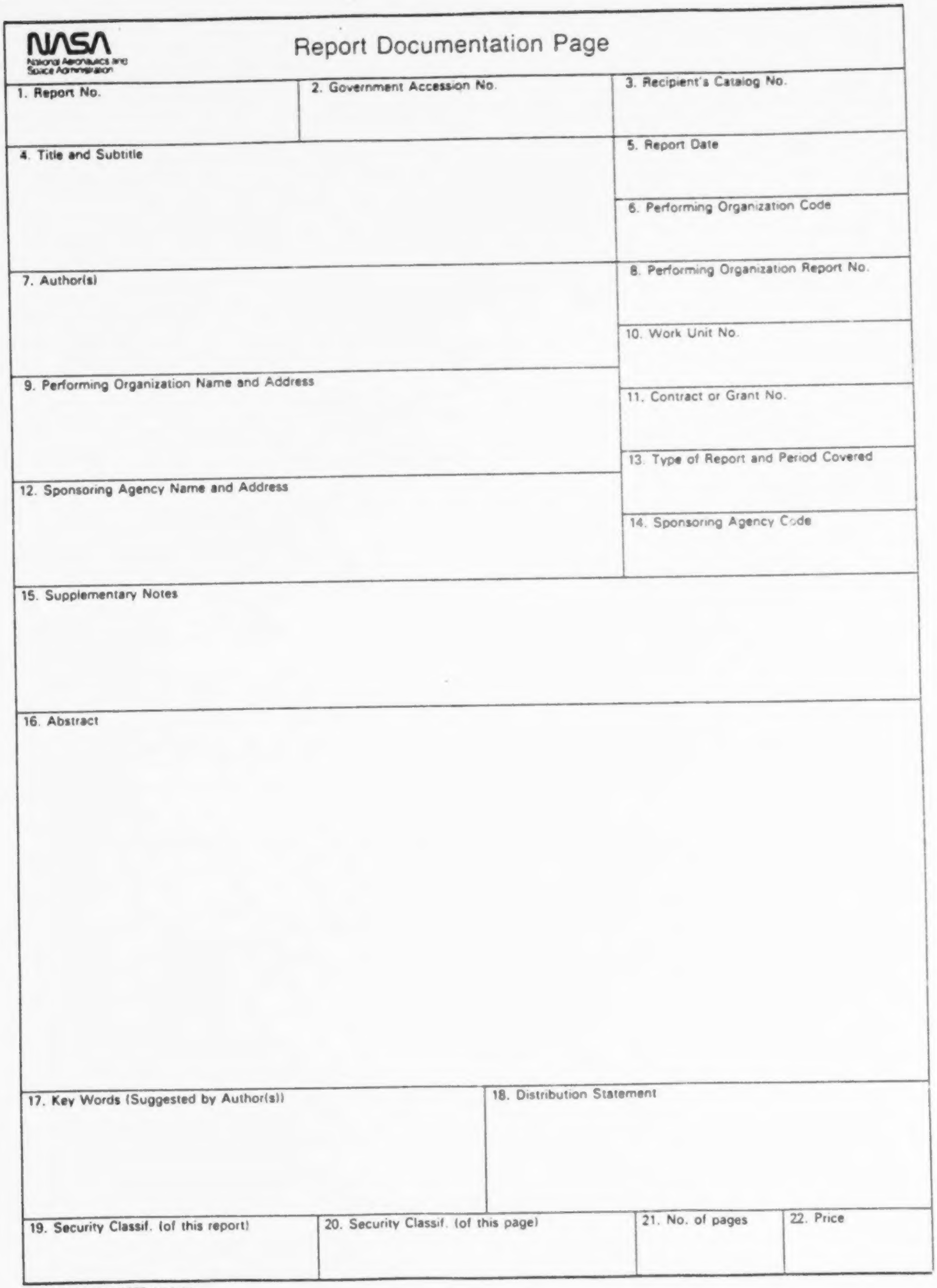
Contract Closeout Checklist

1 NAME OF CONTRACTOR	2. CONTRACT NO	3. CONTRACT AMENDMENT *(Modifications numbered through)*		4. PHYSICAL COMPLETION DATE
ACTION ITEMS	MILESTONES/CALENDAR DAYS AFTER PHYSICAL COMPL. a	FORECAST FOR COMPL. *(Date)* b	ACTION INITIATED *(Date)* c.	ACTION COMPLETED *(Date)* d.
5. DISPOSITION OF CLASSIFIED MATERIAL COMPLETED				
6. FINAL NEW TECHNOLOGY REPORT SUBMITTED *(Inventions Disclosure)*				
7. FINAL PATENT RIGHTS REPORT CLEARED *(NASA Form 1626)*				
8. FINAL ROYALTY REPORT CLEARED				
9. PLANT CLEARANCE REPORT RECEIVED *(DD Form 1593)*				
10. PROPERTY CLEARANCE RECEIVED *(DD Form 1593)*				
11. SETTLEMENT OF ALL INTERIM OR DISALLOWED COSTS *(NASA Form 456)*				
12. PRICE REVISION COMPLETED				
13. SETTLEMENT OF SUBCONTRACTS BY THE PRIME CONTRACTOR				
14. PRIOR YEAR OVERHEAD RATES COMPLETED				
15. CONTRACTOR'S CLOSING STATEMENT RECEIVED				
16. TERMINATION DOCKET COMPLETED				
17 CONTRACT AUDIT COMPLETED				
18. CONTRACTOR ASSIGNMENT AND RELEASE *(NASA Form 778)*				
19. FINAL VOUCHER SUBMITTED				
20. FINAL PAID VOUCHER RECEIVED				
21. FINAL REMOVAL OF EXCESS FUNDS RECOMMENDED				
22. ISSUANCE OF CONTRACT COMPLETION STATEMENT *(NASA Form 1611)*				
23. ASSIGNEE'S ASSIGNMENT OF REFUNDS, REBATES, CREDITS, AND OTHER AMOUNTS *(NASA Form 781)*				
24. CONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES, CREDITS, AND OTHER AMOUNTS *(NASA Form 780)*				
25. DISPOSITION OF OUTSTANDING VALUE ENGINEERING CHANGE PROPOSALS *(If applicable)*				
26. OTHER REQUIREMENTS COMPLETED *(Specify)*				
27. TYPED NAME AND TITLE OF RESPONSIBLE OFFICIAL		28. SIGNATURE*		29. DATE

* *To be signed only upon completion of all actions.*

NASA FORM 1612 JUL 87 PREVIOUS EDITION IS OBSOLETE

FORMS



NASA
National Aeronautics and Space Administration

Report Documentation Page

1. Report No.
2. Government Accession No.
3. Recipient's Catalog No.
4. Title and Subtitle
5. Report Date
6. Performing Organization Code
7. Author(s)
8. Performing Organization Report No.
10. Work Unit No.
9. Performing Organization Name and Address
11. Contract or Grant No.
13. Type of Report and Period Covered
12. Sponsoring Agency Name and Address
14. Sponsoring Agency Code
15. Supplementary Notes
16. Abstract
17. Key Words (Suggested by Author(s))
18. Distribution Statement
19. Security Classif. (of this report)
20. Security Classif. (of this page)
21. No. of pages
22. Price

NASA FORM 1626 OCT 86

PREPARATION OF THE REPORT DOCUMENTATION PAGE

The last page of a report facing the third cover is the Report Documentation Page, RDP. Information presented on this page is used in announcing and cataloging reports as well as preparing the cover and title page. Thus it is important that the information be correct. Instructions for filling in each block of the form are as follows:

Block 1. Report No. NASA report series number, if preassigned.

Block 2. Government Accession No. Leave blank.

Block 3. Recipient's Catalog No. Reserved for use by each report recipient.

Block 4. Title and Subtitle. Typed in caps and lower case with dash or period separating subtitle from title.

Block 5. Report Date. Approximate month and year the report will be published.

Block 6. Performing Organization Code. Leave blank.

Block 7. Author(s). Provide full names exactly as they are to appear on the title page. If applicable, the word editor should follow a name.

Block 8. Performing Organization Report No. NASA installation report control number and, if desired, the non-NASA performing organization report control number.

Block 9. Performing Organization Name and Address. Provide affiliation (NASA program office, NASA installation, or contractor name) of authors.

Block 10. Work Unit No. Provide Research and Technology Objectives and Plans (RTOP) number.

Block 11. Contract or Grant No. Provide when applicable.

Block 12. Sponsoring Agency Name and Address. National Aeronautics and Space Administration, Washington, D.C. 20546-0001. If contractor report, add NASA installation or HQ program office.

Block 13. Type of Report and Period Covered. NASA formal report series; for Contractor Report also list type (interim, final) and period covered when applicable.

Block 14. Sponsoring Agency Code. Leave blank.

Block 15. Supplementary Notes. Information not included elsewhere: affiliation of authors if additional space is required for block 9, notice of work sponsored by another agency, monitor of contract, information about supplements (film, data tapes, etc.), meeting site and date for presented papers, journal to which an article has been submitted, note of a report made from a thesis, appendix by author other than shown in block 7.

Block 16. Abstract. The abstract should be informative rather than descriptive and should state the objectives of the investigation, the methods employed (e.g., simulation, experiment, or remote sensing), the results obtained, and the conclusions reached.

Block 17. Key Words. Identifying words or phrases to be used in cataloging the report.

Block 18. Distribution Statement. Indicate whether report is available to public or not. If not to be controlled, use "Unclassified-Unlimited." If controlled availability is required, list the category approved on the Document Availability Authorization Form (see NHB 2200.2, Form FF427). Also specify subject category (see "Table of Contents" in a current issue of STAR), in which report is to be distributed.

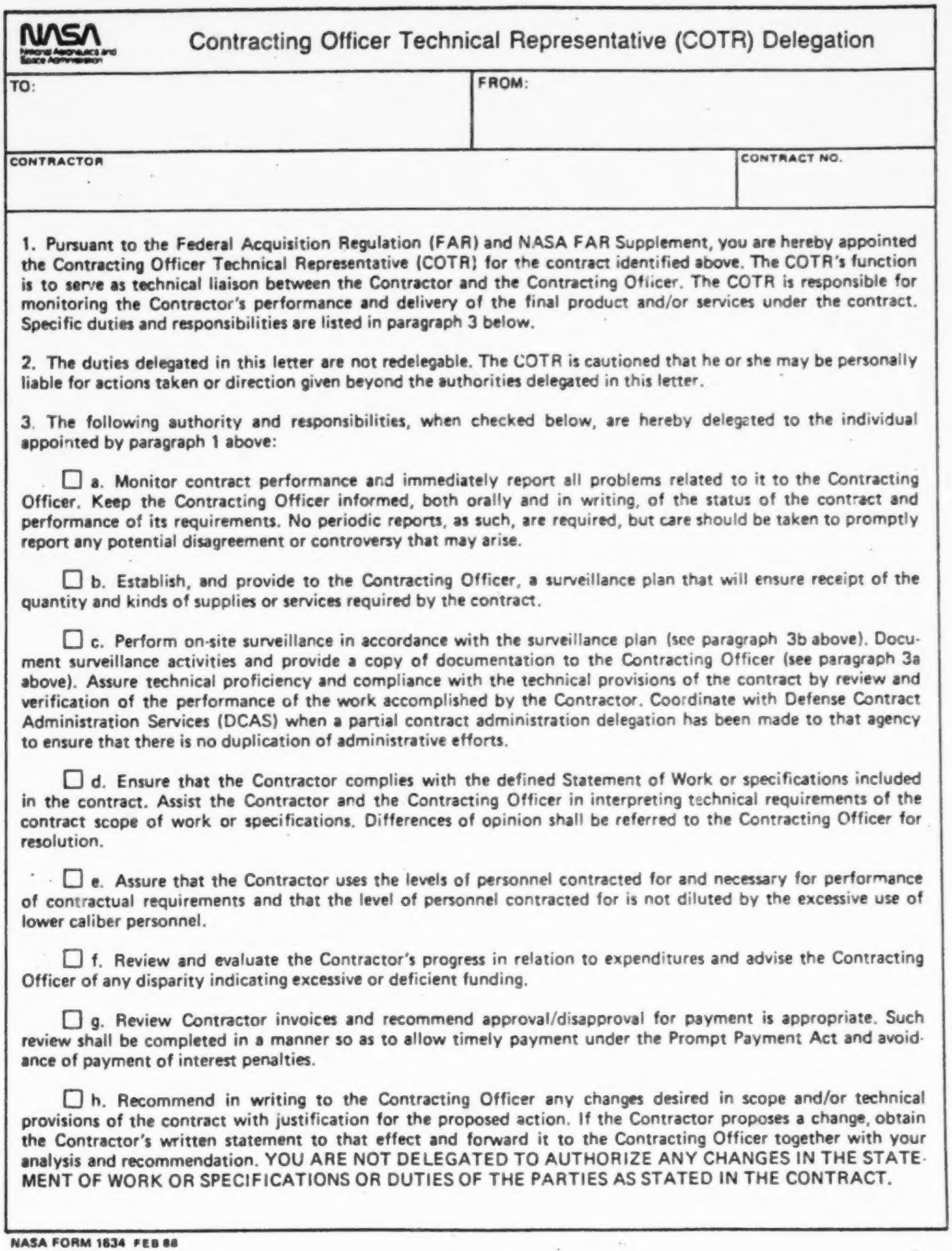
Block 19. Security Classification (of this report). Self-explanatory.

Block 20. Security Classification (of this page). Self-explanatory.

Block 21. No. of Pages. Count front matter pages beginning with iii, text pages including internal blank pages, and the RDP, but not the title page or the back of the title page.

Block 22. Price Code. If block 18 shows "Unclassified-Unlimited," provide the NTIS price code (see "NTIS Price Schedules" in a current issue of STAR) and at the bottom of the form add either "For sale by the National Technical Information Service, Springfield, VA 22161-2171" or "For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402-0001," whichever is appropriate.

FORMS



NASA

Contracting Officer Technical Representative (COTR) Delegation

TO:	FROM:

CONTRACTOR	CONTRACT NO.

1. Pursuant to the Federal Acquisition Regulation (FAR) and NASA FAR Supplement, you are hereby appointed the Contracting Officer Technical Representative (COTR) for the contract identified above. The COTR's function is to serve as technical liaison between the Contractor and the Contracting Officer. The COTR is responsible for monitoring the Contractor's performance and delivery of the final product and/or services under the contract. Specific duties and responsibilities are listed in paragraph 3 below.

2. The duties delegated in this letter are not redelegable. The COTR is cautioned that he or she may be personally liable for actions taken or direction given beyond the authorities delegated in this letter.

3. The following authority and responsibilities, when checked below, are hereby delegated to the individual appointed by paragraph 1 above:

☐ a. Monitor contract performance and immediately report all problems related to it to the Contracting Officer. Keep the Contracting Officer informed, both orally and in writing, of the status of the contract and performance of its requirements. No periodic reports, as such, are required, but care should be taken to promptly report any potential disagreement or controversy that may arise.

☐ b. Establish, and provide to the Contracting Officer, a surveillance plan that will ensure receipt of the quantity and kinds of supplies or services required by the contract.

☐ c. Perform on-site surveillance in accordance with the surveillance plan (see paragraph 3b above). Document surveillance activities and provide a copy of documentation to the Contracting Officer (see paragraph 3a above). Assure technical proficiency and compliance with the technical provisions of the contract by review and verification of the performance of the work accomplished by the Contractor. Coordinate with Defense Contract Administration Services (DCAS) when a partial contract administration delegation has been made to that agency to ensure that there is no duplication of administrative efforts.

☐ d. Ensure that the Contractor complies with the defined Statement of Work or specifications included in the contract. Assist the Contractor and the Contracting Officer in interpreting technical requirements of the contract scope of work or specifications. Differences of opinion shall be referred to the Contracting Officer for resolution.

☐ e. Assure that the Contractor uses the levels of personnel contracted for and necessary for performance of contractual requirements and that the level of personnel contracted for is not diluted by the excessive use of lower caliber personnel.

☐ f. Review and evaluate the Contractor's progress in relation to expenditures and advise the Contracting Officer of any disparity indicating excessive or deficient funding.

☐ g. Review Contractor invoices and recommend approval/disapproval for payment is appropriate. Such review shall be completed in a manner so as to allow timely payment under the Prompt Payment Act and avoidance of payment of interest penalties.

☐ h. Recommend in writing to the Contracting Officer any changes desired in scope and/or technical provisions of the contract with justification for the proposed action. If the Contractor proposes a change, obtain the Contractor's written statement to that effect and forward it to the Contracting Officer together with your analysis and recommendation. YOU ARE NOT DELEGATED TO AUTHORIZE ANY CHANGES IN THE STATEMENT OF WORK OR SPECIFICATIONS OR DUTIES OF THE PARTIES AS STATED IN THE CONTRACT.

NASA FORM 1634 FEB 88

☐ i. Ensure that proper action has been taken to formally modify the contract before the Contractor proceeds with any changes in the work or services to be performed.

☐ j. As requested, prepare and forward to the Contracting Officer cost estimates for any proposed increase or decrease in the work and/or services to be performed. Obtain certified funds when necessary for proposed increases.

☐ k. Perform inspections of completed work and/or services and certify or have certified (By authorized Government officials) acceptance or nonacceptance of work.

☐ l. After completion of work, notify the Contracting Officer when the Contractor has met all terms of the contract and make any appropriate recommendations.

☐ m. Other duties as follows:

4. In order to record your actions as COTR, you should set up and maintain a file of letters you may send to and receive from the Contractor and Contracting Officer and memoranda for record of any such nonwritten actions and/or decisions. This file is considered a segment of the official contract file and should be forwarded to the Contracting Officer at the conclusion of this contract.

5. This delegation as COTR does not in any way alter or supersede your existing relationship with your supervisor.

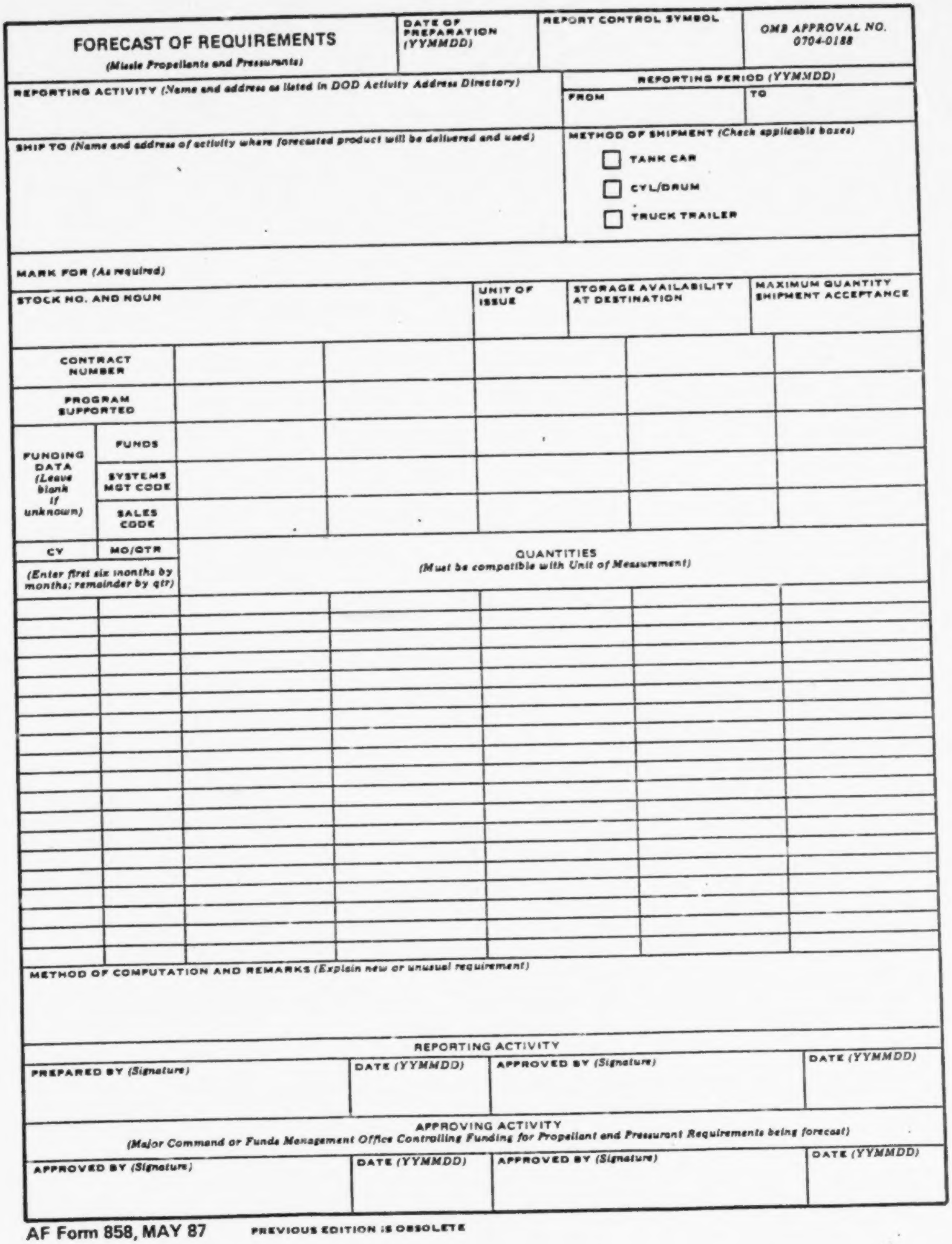
6. This appointment is effective upon its receipt by you and shall remain in effect until closeout and final payment of the assigned contract or until terminated in writing by me or other appropriate Contracting Officer.

TYPED NAME OF CONTRACTING OFFICER	SIGNATURE OF CONTRACTING OFFICER	DATE
THE ABOVE DELEGATION IS HEREBY ACCEPTED		
TYPED NAME OF COTR	SIGNATURE OF COTR	DATE

SPECIAL INSTRUCTIONS

The COTR is requested to sign and return the original of this document to the Contracting Officer and retain one copy for his or her file; the Contractor is requested to retain this letter in its official file.

FORMS



FORECAST OF REQUIREMENTS
(Missile Propellants and Pressurants)

DATE OF PREPARATION *(YYMMDD)*

REPORT CONTROL SYMBOL

OMB APPROVAL NO. 0704-0188

REPORTING ACTIVITY *(Name and address as listed in DOD Activity Address Directory)*

REPORTING PERIOD *(YYMMDD)*
FROM
TO

SHIP TO *(Name and address of activity where forecasted product will be delivered and used)*

METHOD OF SHIPMENT *(Check applicable boxes)*
☐ TANK CAR
☐ CYL/DRUM
☐ TRUCK TRAILER

MARK FOR *(As required)*

STOCK NO. AND NOUN

UNIT OF ISSUE

STORAGE AVAILABILITY AT DESTINATION

MAXIMUM QUANTITY SHIPMENT ACCEPTANCE

CONTRACT NUMBER						
PROGRAM SUPPORTED						
FUNDING DATA *(Leave blank if unknown)*	FUNDS					
	SYSTEMS MGT CODE					
	SALES CODE					
CY	MO/QTR	QUANTITIES *(Must be compatible with Unit of Measurement)*				
(Enter first six months by months; remainder by qtr)						

METHOD OF COMPUTATION AND REMARKS *(Explain new or unusual requirement)*

REPORTING ACTIVITY

PREPARED BY *(Signature)*	DATE *(YYMMDD)*	APPROVED BY *(Signature)*	DATE *(YYMMDD)*

APPROVING ACTIVITY
(Major Command or Funds Management Office Controlling Funding for Propellant and Pressurant Requirements being forecast)

APPROVED BY *(Signature)*	DATE *(YYMMDD)*	APPROVED BY *(Signature)*	DATE *(YYMMDD)*

AF Form 858, MAY 87 PREVIOUS EDITION IS OBSOLETE

The next page is 53-61

FORMS

MATERIAL INSPECTION AND RECEIVING REPORT	1. PROC. INSTRUMENT IDEN. (CONTRACT)	(ORDER) NO	6. INVOICE	7. PAGE OF 8. ACCEPTANCE POINT

2. SHIPMENT NO	3. DATE SHIPPED	4. B/L TCN	5. DISCOUNT TERMS

9. PRIME CONTRACTOR CODE	10. ADMINISTERED BY CODE
11. SHIPPED FROM *(If other than 9)* CODE FOB	12. PAYMENT WILL BE MADE BY CODE
13. SHIPPED TO CODE	14. MARKED FOR CODE

15. ITEM NO	16. STOCK/PART NO DESCRIPTION *(Indicate number of shipping containers - type of container - container number.)*	17. QUANTITY SHIP/REC'D *	18. UNIT	19. UNIT PRICE	20. AMOUNT

21. PROCUREMENT QUALITY ASSURANCE

A. ORIGIN

☐ PQA ☐ ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.

DATE SIGNATURE OF AUTH GOVT REP

TYPED NAME AND OFFICE

B. DESTINATION

☐ PQA ☐ ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.

DATE SIGNATURE OF AUTH GOVT REP

TYPED NAME AND TITLE

22. RECEIVER'S USE

Quantities shown in column 17 were received in apparent good condition except as noted.

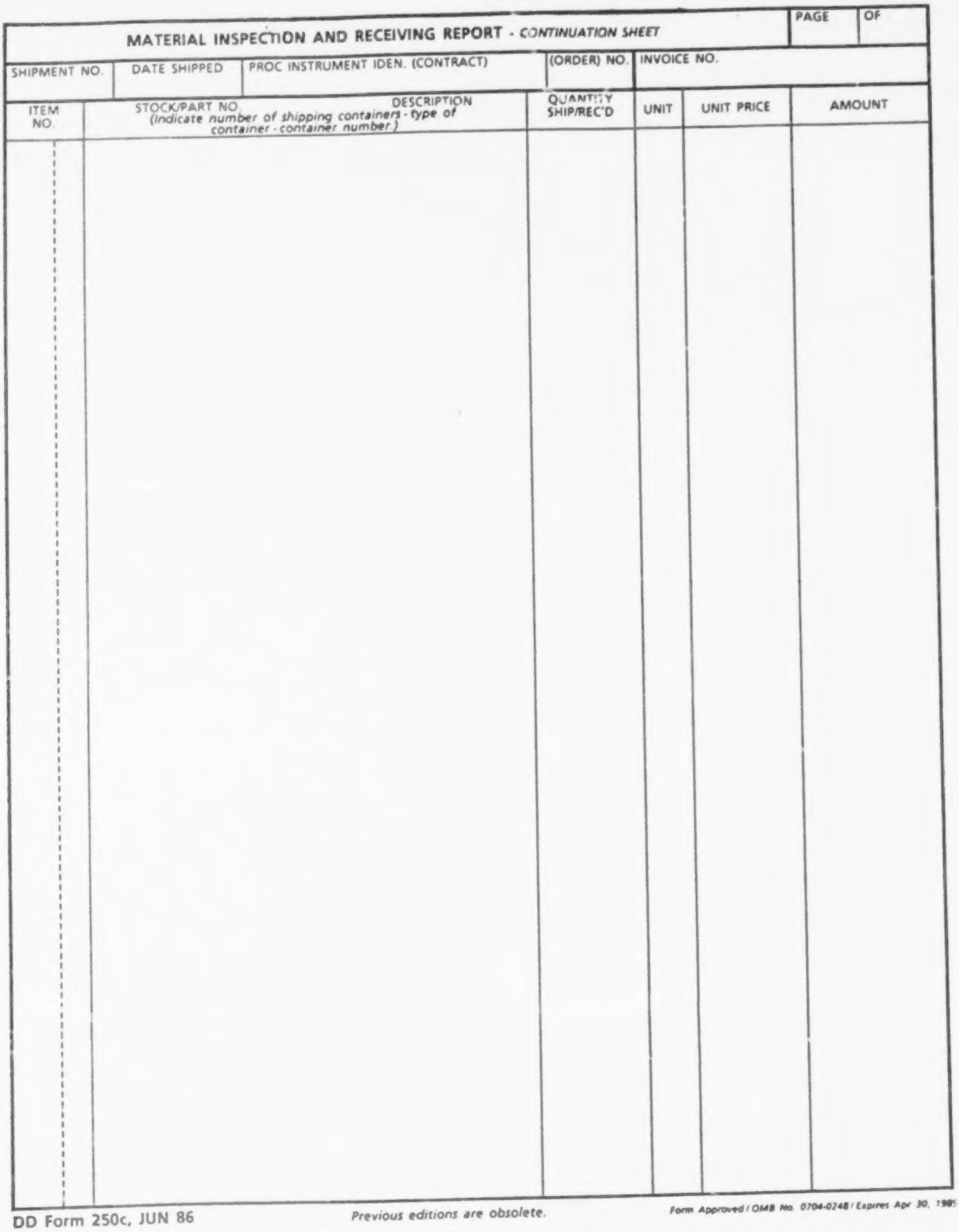
DATE RECEIVED SIGNATURE OF AUTH GOVT REP

TYPED NAME AND OFFICE

** If quantity received by the Government is the same as quantity shipped, indicate by (✓) mark, if different, enter actual quantity received below quantity shipped and encircle.*

23. CONTRACTOR USE ONLY

DD Form 250, JUN 86 *Previous editions are obsolete.* *Form Approved OMB No. 0704-0248 Expires Apr 30, 1989*
222/057



MATERIAL INSPECTION AND RECEIVING REPORT - *CONTINUATION SHEET*

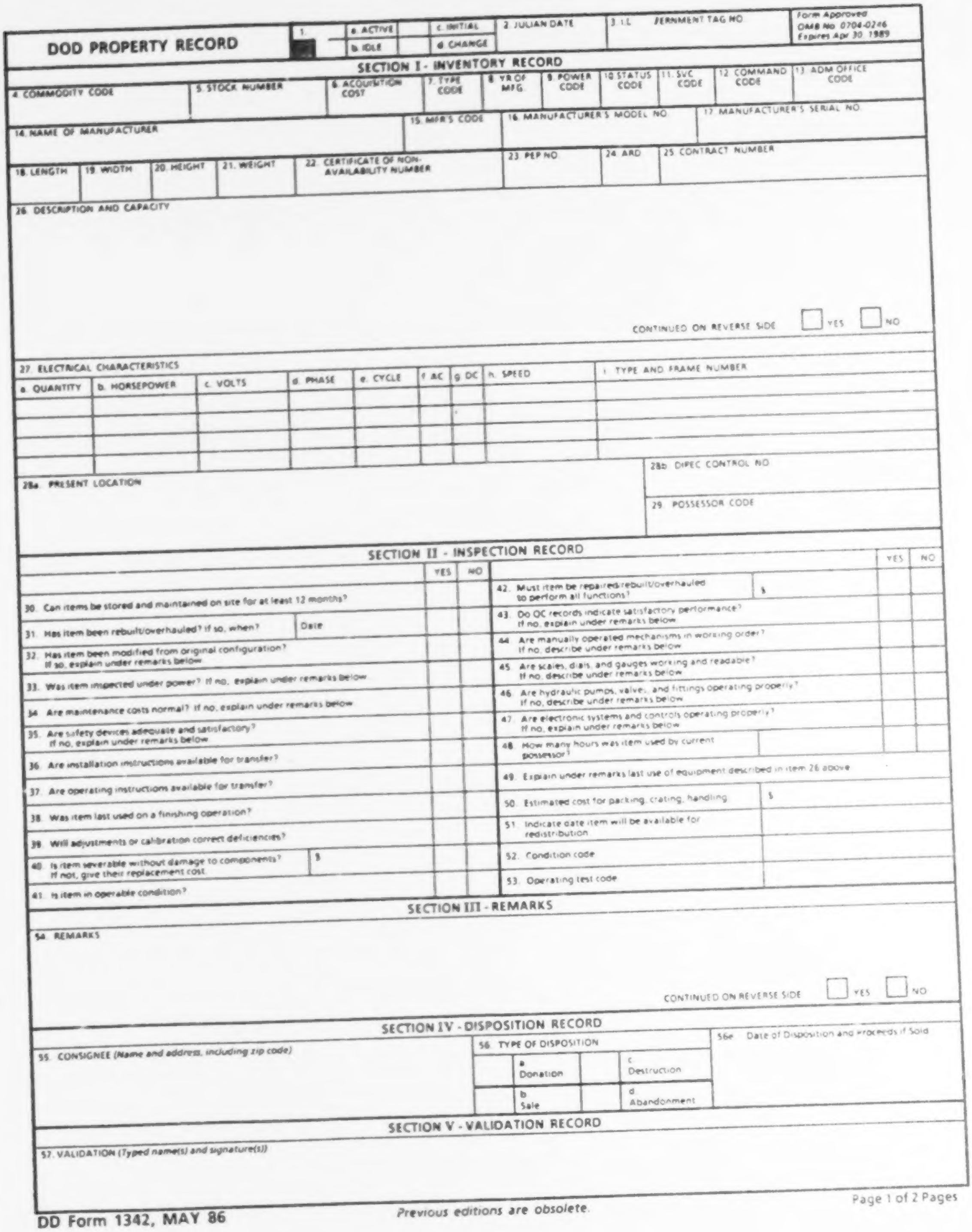
PAGE
OF

SHIPMENT NO.	DATE SHIPPED	PROC INSTRUMENT IDEN. (CONTRACT)	(ORDER) NO.	INVOICE NO.

ITEM NO.	STOCK/PART NO. DESCRIPTION *(Indicate number of shipping containers - type of container - container number.)*	QUANTITY SHIP/REC'D	UNIT	UNIT PRICE	AMOUNT

DD Form 250c, JUN 86 *Previous editions are obsolete.* *Form Approved / OMB No. 0704-0248 / Expires Apr 30, 198*

FORMS



DOD PROPERTY RECORD	1.	a. ACTIVE b. IDLE	c. INITIAL d. CHANGE	2. JULIAN DATE	3. I.L PERMANENT TAG NO	Form Approved OMB No. 0704-0246 Expires Apr 30, 1989

SECTION I - INVENTORY RECORD

4. COMMODITY CODE	5. STOCK NUMBER	6. ACQUISITION COST	7. TYPE CODE	8. YR OF MFG.	9. POWER CODE	10. STATUS CODE	11. SVC CODE	12. COMMAND CODE	13. ADM OFFICE CODE

14. NAME OF MANUFACTURER	15. MFR'S CODE	16. MANUFACTURER'S MODEL NO.	17. MANUFACTURER'S SERIAL NO.

18. LENGTH	19. WIDTH	20. HEIGHT	21. WEIGHT	22. CERTIFICATE OF NON-AVAILABILITY NUMBER	23. PEP NO.	24. ARD	25. CONTRACT NUMBER

26. DESCRIPTION AND CAPACITY

CONTINUED ON REVERSE SIDE ☐ YES ☐ NO

27. ELECTRICAL CHARACTERISTICS

a. QUANTITY	b. HORSEPOWER	c. VOLTS	d. PHASE	e. CYCLE	f. AC	g. DC	h. SPEED	i. TYPE AND FRAME NUMBER

28a. PRESENT LOCATION	28b. DIPEC CONTROL NO.
	29. POSSESSOR CODE

SECTION II - INSPECTION RECORD

	YES	NO
30. Can items be stored and maintained on site for at least 12 months?		
31. Has item been rebuilt/overhauled? If so, when? Date		
32. Has item been modified from original configuration? If so, explain under remarks below		
33. Was item inspected under power? If no, explain under remarks below		
34. Are maintenance costs normal? If no, explain under remarks below		
35. Are safety devices adequate and satisfactory? If no, explain under remarks below		
36. Are installation instructions available for transfer?		
37. Are operating instructions available for transfer?		
38. Was item last used on a finishing operation?		
39. Will adjustments or calibration correct deficiencies?		
40. Is item severable without damage to components? If not, give their replacement cost. $		
41. Is item in operable condition?		

		YES	NO
42. Must item be repaired/rebuilt/overhauled to perform all functions?	$		
43. Do QC records indicate satisfactory performance? If no, explain under remarks below			
44. Are manually operated mechanisms in working order? If no, describe under remarks below			
45. Are scales, dials, and gauges working and readable? If no, describe under remarks below			
46. Are hydraulic pumps, valves, and fittings operating properly? If no, describe under remarks below			
47. Are electronic systems and controls operating properly? If no, explain under remarks below			
48. How many hours was item used by current possessor?			
49. Explain under remarks last use of equipment described in item 26 above			
50. Estimated cost for packing, crating, handling	$		
51. Indicate date item will be available for redistribution			
52. Condition code			
53. Operating test code			

SECTION III - REMARKS

54. REMARKS

CONTINUED ON REVERSE SIDE ☐ YES ☐ NO

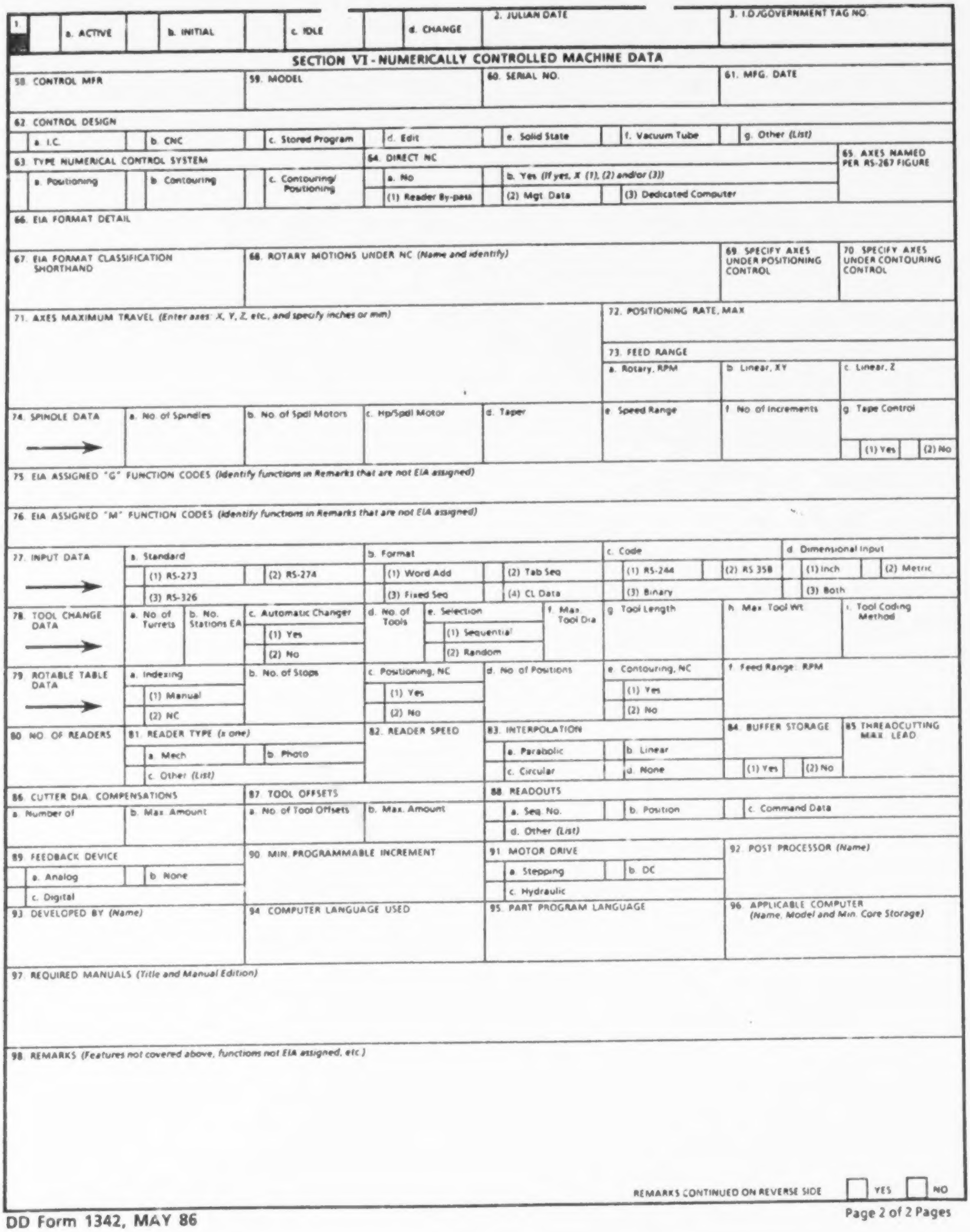
SECTION IV - DISPOSITION RECORD

55. CONSIGNEE *(Name and address, including zip code)*	56. TYPE OF DISPOSITION				56e. Date of Disposition and Proceeds if Sold
	☐	a. Donation	☐	c. Destruction	
	☐	b. Sale	☐	d. Abandonment	

SECTION V - VALIDATION RECORD

57. VALIDATION *(Typed name(s) and signature(s))*

DD Form 1342, MAY 86 *Previous editions are obsolete.* Page 1 of 2 Pages



1. ☐ a. ACTIVE ☐ b. INITIAL ☐ c. IDLE ☐ d. CHANGE
2. JULIAN DATE
3. I.D./GOVERNMENT TAG NO.

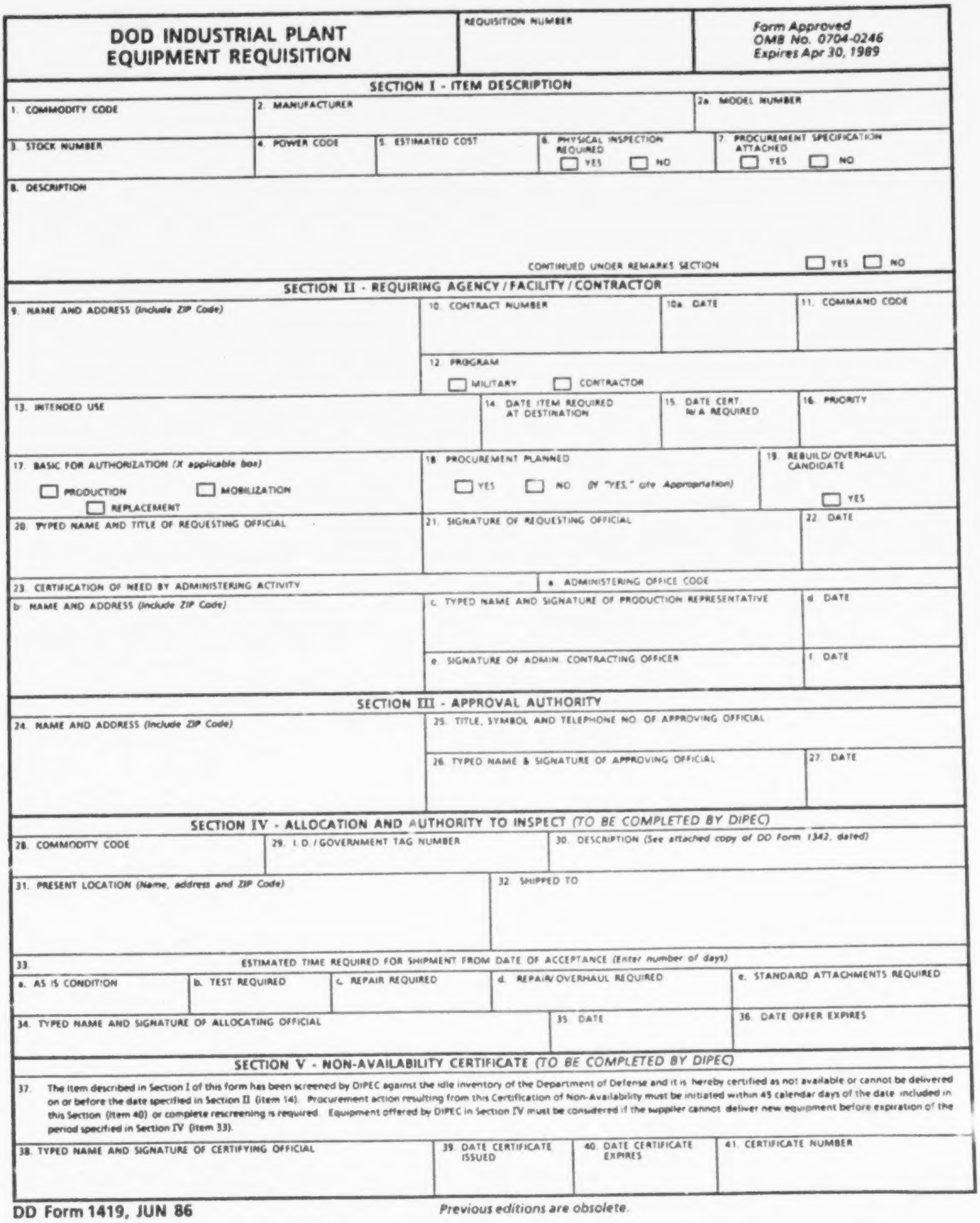
SECTION VI - NUMERICALLY CONTROLLED MACHINE DATA

58. CONTROL MFR
59. MODEL
60. SERIAL NO.
61. MFG. DATE
62. CONTROL DESIGN
☐ a. I.C. ☐ b. CNC ☐ c. Stored Program ☐ d. Edit ☐ e. Solid State ☐ f. Vacuum Tube ☐ g. Other *(List)*
63. TYPE NUMERICAL CONTROL SYSTEM
☐ a. Positioning ☐ b. Contouring ☐ c. Contouring/Positioning
64. DIRECT NC
☐ a. No ☐ b. Yes *(If yes, X (1), (2) and/or (3))*
☐ (1) Reader By-pass ☐ (2) Mgt. Data ☐ (3) Dedicated Computer
65. AXES NAMED PER RS-267 FIGURE
66. EIA FORMAT DETAIL
67. EIA FORMAT CLASSIFICATION SHORTHAND
68. ROTARY MOTIONS UNDER NC *(Name and identify)*
69. SPECIFY AXES UNDER POSITIONING CONTROL
70. SPECIFY AXES UNDER CONTOURING CONTROL
71. AXES MAXIMUM TRAVEL *(Enter axes: X, Y, Z, etc., and specify inches or mm)*
72. POSITIONING RATE, MAX
73. FEED RANGE
a. Rotary, RPM b. Linear, XY c. Linear, Z
74. SPINDLE DATA →
a. No. of Spindles b. No. of Spdl Motors c. Hp/Spdl Motor d. Taper e. Speed Range f. No. of Increments g. Tape Control ☐ (1) Yes ☐ (2) No
75. EIA ASSIGNED "G" FUNCTION CODES *(Identify functions in Remarks that are not EIA assigned)*
76. EIA ASSIGNED "M" FUNCTION CODES *(Identify functions in Remarks that are not EIA assigned)*
77. INPUT DATA →
a. Standard ☐ (1) RS-273 ☐ (2) RS-274 ☐ (3) RS-326
b. Format ☐ (1) Word Add ☐ (2) Tab Seq ☐ (3) Fixed Seq ☐ (4) CL Data
c. Code ☐ (1) RS-244 ☐ (2) RS 358 ☐ (3) Binary
d. Dimensional Input ☐ (1) Inch ☐ (2) Metric ☐ (3) Both
78. TOOL CHANGE DATA →
a. No. of Turrets b. No. Stations EA c. Automatic Changer ☐ (1) Yes ☐ (2) No d. No. of Tools e. Selection ☐ (1) Sequential ☐ (2) Random f. Max Tool Dia g. Tool Length h. Max Tool Wt i. Tool Coding Method
79. ROTABLE TABLE DATA →
a. Indexing ☐ (1) Manual ☐ (2) NC b. No. of Stops c. Positioning, NC ☐ (1) Yes ☐ (2) No d. No. of Positions e. Contouring, NC ☐ (1) Yes ☐ (2) No f. Feed Range: RPM
80. NO. OF READERS
81. READER TYPE *(x one)*
☐ a. Mech ☐ b. Photo ☐ c. Other *(List)*
82. READER SPEED
83. INTERPOLATION
☐ a. Parabolic ☐ b. Linear ☐ c. Circular ☐ d. None
84. BUFFER STORAGE
☐ (1) Yes ☐ (2) No
85. THREADCUTTING MAX. LEAD
86. CUTTER DIA. COMPENSATIONS
a. Number of b. Max. Amount
87. TOOL OFFSETS
a. No. of Tool Offsets b. Max. Amount
88. READOUTS
☐ a. Seq. No. ☐ b. Position ☐ c. Command Data ☐ d. Other *(List)*
89. FEEDBACK DEVICE
☐ a. Analog ☐ b. None ☐ c. Digital
90. MIN. PROGRAMMABLE INCREMENT
91. MOTOR DRIVE
☐ a. Stepping ☐ b. DC ☐ c. Hydraulic
92. POST PROCESSOR *(Name)*
93. DEVELOPED BY *(Name)*
94. COMPUTER LANGUAGE USED
95. PART PROGRAM LANGUAGE
96. APPLICABLE COMPUTER *(Name, Model and Min. Core Storage)*
97. REQUIRED MANUALS *(Title and Manual Edition)*
98. REMARKS *(Features not covered above, functions not EIA assigned, etc.)*

REMARKS CONTINUED ON REVERSE SIDE ☐ YES ☐ NO

DD Form 1342, MAY 86

Page 2 of 2 Pages



DOD INDUSTRIAL PLANT EQUIPMENT REQUISITION

REQUISITION NUMBER

Form Approved
OMB No. 0704-0246
Expires Apr 30, 1989

SECTION I - ITEM DESCRIPTION

1. COMMODITY CODE
2. MANUFACTURER
2a. MODEL NUMBER
3. STOCK NUMBER
4. POWER CODE
5. ESTIMATED COST
6. PHYSICAL INSPECTION REQUIRED ☐ YES ☐ NO
7. PROCUREMENT SPECIFICATION ATTACHED ☐ YES ☐ NO
8. DESCRIPTION

CONTINUED UNDER REMARKS SECTION ☐ YES ☐ NO

SECTION II - REQUIRING AGENCY / FACILITY / CONTRACTOR

9. NAME AND ADDRESS *(Include ZIP Code)*
10. CONTRACT NUMBER
10a. DATE
11. COMMAND CODE
12. PROGRAM ☐ MILITARY ☐ CONTRACTOR
13. INTENDED USE
14. DATE ITEM REQUIRED AT DESTINATION
15. DATE CERT. N/A REQUIRED
16. PRIORITY
17. BASIC FOR AUTHORIZATION *(X applicable box)* ☐ PRODUCTION ☐ MOBILIZATION ☐ REPLACEMENT
18. PROCUREMENT PLANNED ☐ YES ☐ NO *(If "YES," cite Appropriation)*
19. REBUILD/OVERHAUL CANDIDATE ☐ YES
20. TYPED NAME AND TITLE OF REQUESTING OFFICIAL
21. SIGNATURE OF REQUESTING OFFICIAL
22. DATE
23. CERTIFICATION OF NEED BY ADMINISTERING ACTIVITY
a. ADMINISTERING OFFICE CODE
b. NAME AND ADDRESS *(Include ZIP Code)*
c. TYPED NAME AND SIGNATURE OF PRODUCTION REPRESENTATIVE
d. DATE
e. SIGNATURE OF ADMIN. CONTRACTING OFFICER
f. DATE

SECTION III - APPROVAL AUTHORITY

24. NAME AND ADDRESS *(Include ZIP Code)*
25. TITLE, SYMBOL AND TELEPHONE NO. OF APPROVING OFFICIAL
26. TYPED NAME & SIGNATURE OF APPROVING OFFICIAL
27. DATE

SECTION IV - ALLOCATION AND AUTHORITY TO INSPECT *(TO BE COMPLETED BY DIPEC)*

28. COMMODITY CODE
29. I.D./GOVERNMENT TAG NUMBER
30. DESCRIPTION *(See attached copy of DD Form 1342, dated)*
31. PRESENT LOCATION *(Name, address and ZIP Code)*
32. SHIPPED TO
33. ESTIMATED TIME REQUIRED FOR SHIPMENT FROM DATE OF ACCEPTANCE *(Enter number of days)*
a. AS IS CONDITION
b. TEST REQUIRED
c. REPAIR REQUIRED
d. REPAIR/OVERHAUL REQUIRED
e. STANDARD ATTACHMENTS REQUIRED
34. TYPED NAME AND SIGNATURE OF ALLOCATING OFFICIAL
35. DATE
36. DATE OFFER EXPIRES

SECTION V - NON-AVAILABILITY CERTIFICATE *(TO BE COMPLETED BY DIPEC)*

37. The item described in Section I of this form has been screened by DIPEC against the idle inventory of the Department of Defense and it is hereby certified as not available or cannot be delivered on or before the date specified in Section II (item 14). Procurement action resulting from this Certification of Non-Availability must be initiated within 45 calendar days of the date included in this Section (item 40) or complete rescreening is required. Equipment offered by DIPEC in Section IV must be considered if the supplier cannot deliver new equipment before expiration of the period specified in Section IV (item 33).

38. TYPED NAME AND SIGNATURE OF CERTIFYING OFFICIAL
39. DATE CERTIFICATE ISSUED
40. DATE CERTIFICATE EXPIRES
41. CERTIFICATE NUMBER

DD Form 1419, JUN 86

Previous editions are obsolete.

FORMS

SECTION VI - CERTIFICATION OF ACCEPTANCE

42. THE ITEM ALLOCATED IN SECTION IV OF THIS FORM

☐ HAS BEEN PHYSICALLY INSPECTED AND IS ACCEPTABLE. ☐ IS ACCEPTABLE WITHOUT PHYSICAL INSPECTION

ITEM IS ACCEPTED UNDER ONE OF THESE CONDITIONS: a. ☐ AS IS CONDITION b. ☐ REPAIR REQUIRED

c. ☐ TEST REQUIRED d. ☐ REBUILD OVERHAUL REQUIRED e. ☐ OTHER

☐ IS NOT ACCEPTABLE *(A complete description of conditions making item unacceptable must be stated under REMARKS below)*

43. TYPED NAME AND TITLE OF CERTIFYING OFFICIAL	44. SIGNATURE OF CERTIFYING OFFICIAL	45. DATE

SECTION VII - SPECIAL SHIPPING INSTRUCTIONS

46. SHIP TO *(Include ZIP Code)*	47. FOR TRANSSHIPMENT TO

48. MARK FOR

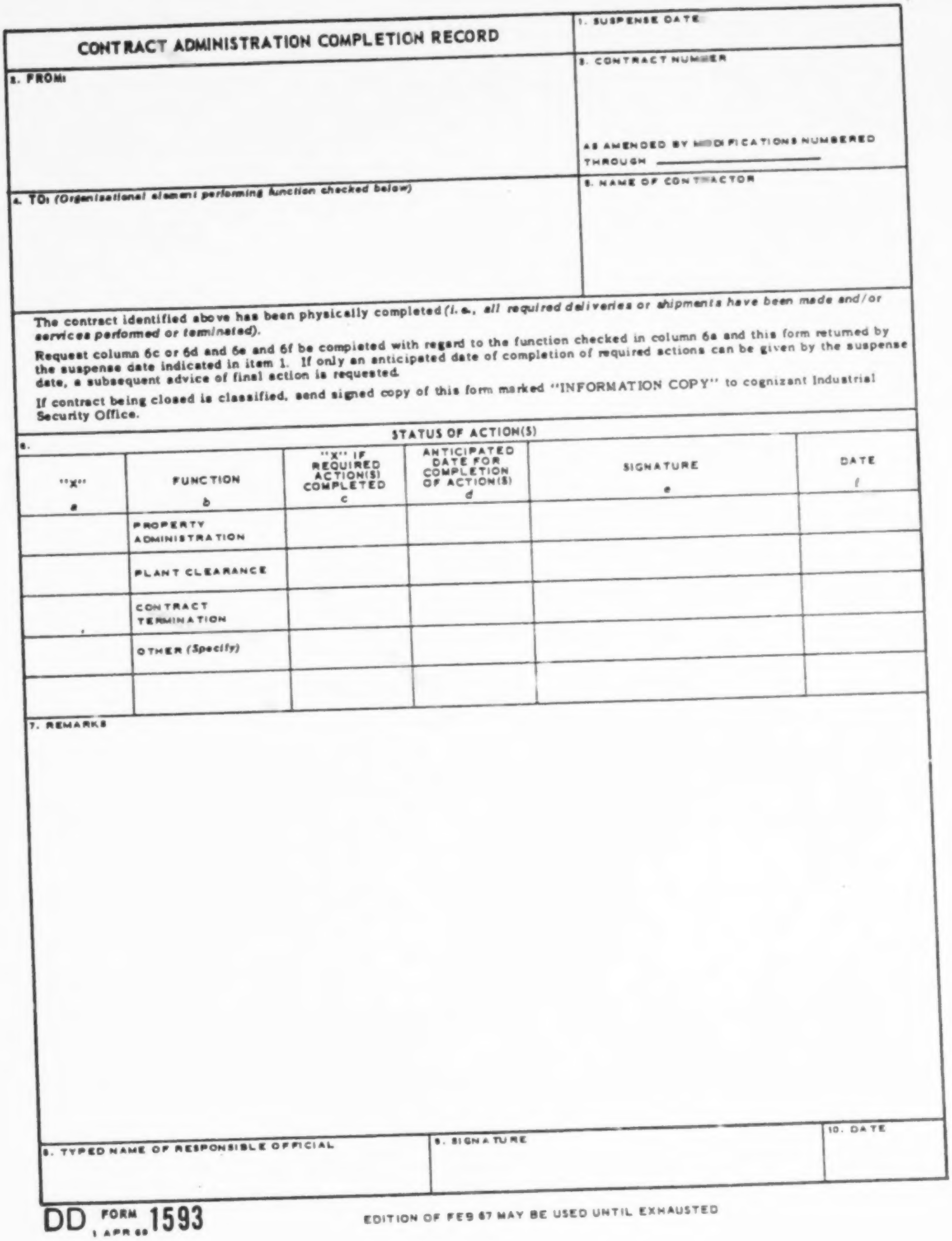
49.	APPROPRIATION CHARGEABLE FOR	d. PAYING OFFICE/ACTIVITY NAME AND ADDRESS *(Include ZIP Code)*
a. PACKING/CRATING/ HANDLING		
b. TRANSPORTATION		
c. OTHER		

50. SPECIAL DISTRIBUTION OF SHIPPING DOCUMENTS AND OTHER INSTRUCTIONS

SECTION VIII - REMARKS

51. REMARKS

DD Form 1419 Reverse, JUN 86



CONTRACT ADMINISTRATION COMPLETION RECORD

1. SUSPENSE DATE

2. FROM:

3. CONTRACT NUMBER

AS AMENDED BY MODIFICATIONS NUMBERED THROUGH ____________

4. TO: *(Organizational element performing function checked below)*

5. NAME OF CONTRACTOR

The contract identified above has been physically completed *(i.e., all required deliveries or shipments have been made and/or services performed or terminated).*

Request column 6c or 6d and 6e and 6f be completed with regard to the function checked in column 6a and this form returned by the suspense date indicated in item 1. If only an anticipated date of completion of required actions can be given by the suspense date, a subsequent advice of final action is requested.

If contract being closed is classified, send signed copy of this form marked "INFORMATION COPY" to cognizant Industrial Security Office.

6. STATUS OF ACTION(S)

"X" a	FUNCTION b	"X" IF REQUIRED ACTION(S) COMPLETED c	ANTICIPATED DATE FOR COMPLETION OF ACTION(S) d	SIGNATURE e	DATE f
	PROPERTY ADMINISTRATION				
	PLANT CLEARANCE				
	CONTRACT TERMINATION				
	OTHER *(Specify)*				

7. REMARKS

8. TYPED NAME OF RESPONSIBLE OFFICIAL

9. SIGNATURE

10. DATE

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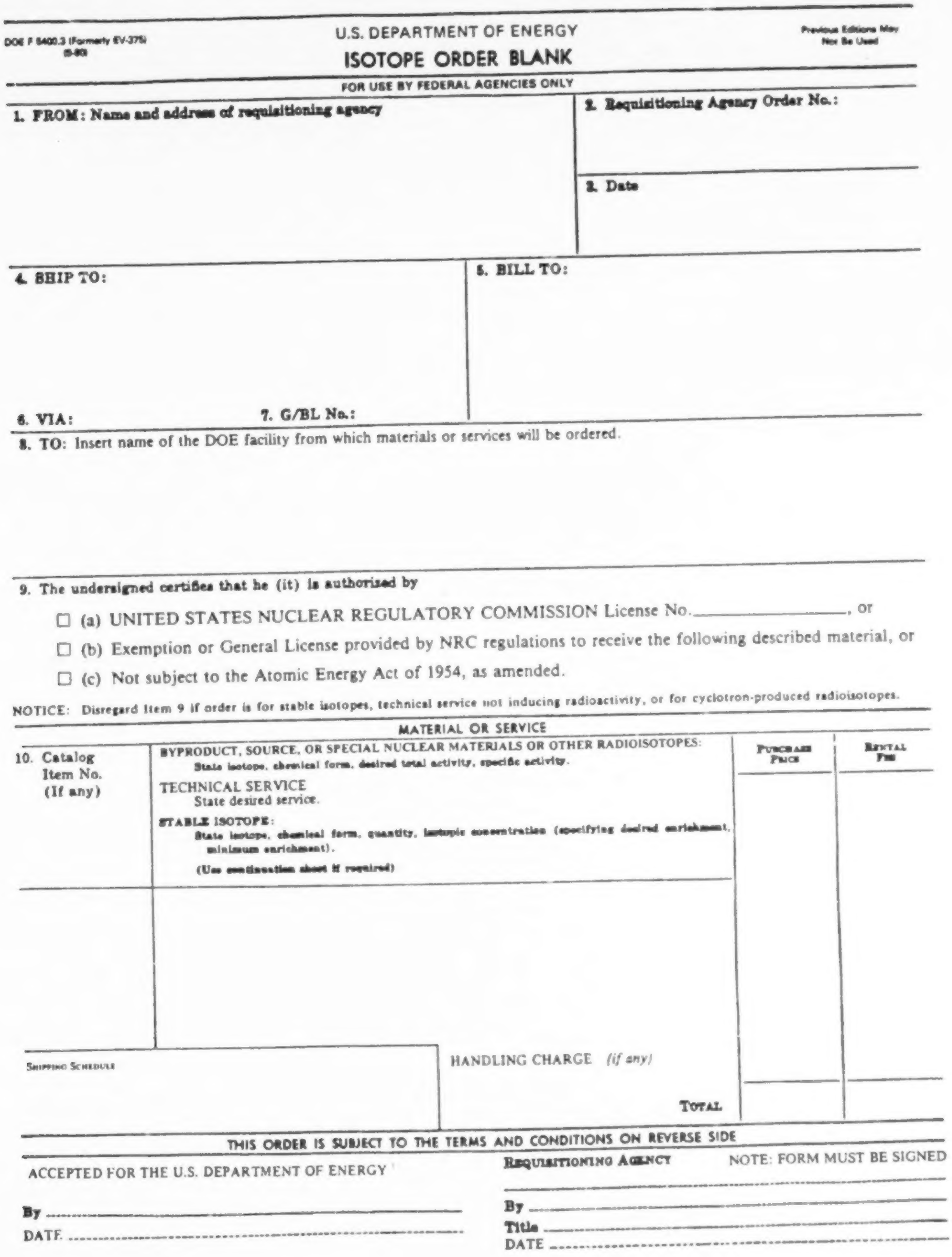
EDITION OF FEB 67 MAY BE USED UNTIL EXHAUSTED

The next page is 53-69

FORMS



DOE F 5400.3 (Formerly EV-375)
(9-80)

U.S. DEPARTMENT OF ENERGY

ISOTOPE ORDER BLANK

Previous Editions May
Not Be Used

FOR USE BY FEDERAL AGENCIES ONLY

1. FROM: Name and address of requisitioning agency

2. Requisitioning Agency Order No.:

3. Date

4. SHIP TO:

5. BILL TO:

6. VIA:

7. G/BL No.:

8. TO: Insert name of the DOE facility from which materials or services will be ordered.

9. The undersigned certifies that he (it) is authorized by

☐ (a) UNITED STATES NUCLEAR REGULATORY COMMISSION License No.________________, or

☐ (b) Exemption or General License provided by NRC regulations to receive the following described material, or

☐ (c) Not subject to the Atomic Energy Act of 1954, as amended.

NOTICE: Disregard Item 9 if order is for stable isotopes, technical service not inducing radioactivity, or for cyclotron-produced radioisotopes.

MATERIAL OR SERVICE

10. Catalog Item No. (If any)	BYPRODUCT, SOURCE, OR SPECIAL NUCLEAR MATERIALS OR OTHER RADIOISOTOPES: State isotope, chemical form, desired total activity, specific activity. TECHNICAL SERVICE State desired service. STABLE ISOTOPE: State isotope, chemical form, quantity, isotopic concentration (specifying desired enrichment, minimum enrichment). (Use continuation sheet if required)	PURCHASE PRICE	RENTAL FEE
SHIPPING SCHEDULE	HANDLING CHARGE *(if any)*		
	TOTAL		

THIS ORDER IS SUBJECT TO THE TERMS AND CONDITIONS ON REVERSE SIDE

ACCEPTED FOR THE U.S. DEPARTMENT OF ENERGY

By ____________________

DATE ____________________

REQUISITIONING AGENCY

NOTE: FORM MUST BE SIGNED

____

By ____________________

Title ____________________

DATE ____________________

TERMS AND CONDITIONS

1. Byproduct, source, and special nuclear materials, technical services or other isotopic materials are furnished at prices and service fees as fixed by the U.S. Department of Energy and in effect on the date of shipment of material or performance of the services. Prices in catalogs issued by the Department or the operator of any DOE facility are subject to change without notice. All transportation costs will be paid by the requisitioning agency, and materials will be shipped F.O.B. the DOE facility handling the transaction. When shipment of material pursuant to this order requires the use of returnable Government-owned containers, title to such containers shall remain in the Government. The buyer will keep the containers in good condition, will not use them for any materials other than the materials shipped therein, and will *deliver* them *to a carrier for return* to the point of shipment, transportation prepaid, within thirty days from the date of receipt *by the buyer* of the shipment. *The buyer agrees to pay to the Department a demurrage charge on each returnable Government-owned container for that period of retention which is in excess of the said 30-day period.*

2. The right to revoke or cancel this order is reserved to DOE.

3. Material ordered from a DOE facility will be shipped as nearly approximating the condition specified in the order as is possible, but no representation is made that materials will be of a particular quality, quantity, or activity, or will be delivered at specified times. The requisitioning agency agrees to report promptly any discrepancies between the material supplied and that ordered so that replacement or other appropriate adjustment may be made.

4. Payment will be made direct to the operator of the DOE facility from which the materials or services are ordered.

5. Title to any material procured on a loan or rental basis under this order shall remain in the DOE. A completed Loan Agreement form, which will be provided by the DOE, must accompany this order if material is being procured on a loan or rental basis.

INSTRUCTIONS

1. This isotope order blank has been prepared for use by all Federal agencies ordering byproduct, source, and special nuclear materials, technical serivces, or other isotopic materials from DOE or DOE facilities owned by the U.S. Department of Energy and operated for DOE by contractors. No other type of order blank, purchase order, or contract will be accepted by DOE or DOE facilities.

2. When submitting this order form the requisitioning agency should furnish a prepared bill of lading on which shipment will be made. If such bill of lading is not furnished, shipment will be made collect on a commercial bill of lading to be converted at destination.

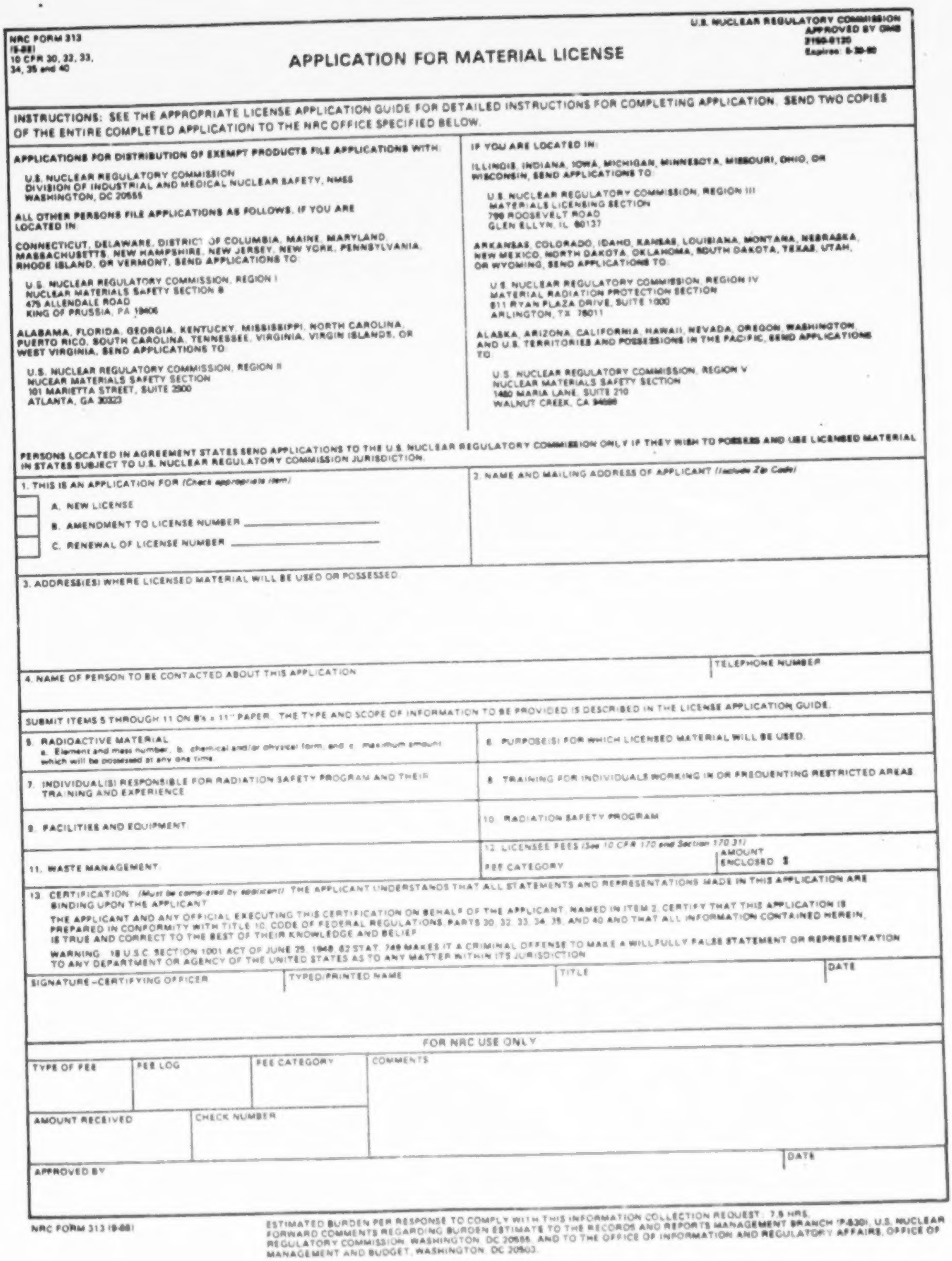
3. The DOE utilizes the services of contractors operating its facilities to perform distribution functions for DOE under cost-type contractual arrangements whereby expenses of the facilities are borne by DOE and revenue from distribution of byproduct, source, and special nuclear materials, special technical serivces, and other isotopic materials is deposited for the account of the Government, used to reduce costs of operation, or paid over as directed by DOE in accordance with applicable contract provisions.

FOR INFORMATION ON HOW TO APPLY FOR A "BYPRODUCT MATERIAL LICENSE," FORM NRC-374, WRITE TO:

U.S. NUCLEAR REGULATORY COMMISSION
MATERIALS LICENSING BRANCH
DIVISION OF FUEL CYCLE AND MATERIAL SAFETY
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
WASHINGTON, D.C. 20555

GPO 911-990

FORMS



NRC FORM 313
(9-88)
10 CFR 30, 32, 33,
34, 35 and 40

U.S. NUCLEAR REGULATORY COMMISSION
APPROVED BY OMB
3150-0120
Expires: 5-30-90

APPLICATION FOR MATERIAL LICENSE

INSTRUCTIONS: SEE THE APPROPRIATE LICENSE APPLICATION GUIDE FOR DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION. SEND TWO COPIES OF THE ENTIRE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.

APPLICATIONS FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:

U.S. NUCLEAR REGULATORY COMMISSION
DIVISION OF INDUSTRIAL AND MEDICAL NUCLEAR SAFETY, NMSS
WASHINGTON, DC 20555

ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS. IF YOU ARE LOCATED IN:

CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, MAINE, MARYLAND, MASSACHUSETTS, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, PENNSYLVANIA, RHODE ISLAND, OR VERMONT, SEND APPLICATIONS TO:

U.S. NUCLEAR REGULATORY COMMISSION, REGION I
NUCLEAR MATERIALS SAFETY SECTION B
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406

ALABAMA, FLORIDA, GEORGIA, KENTUCKY, MISSISSIPPI, NORTH CAROLINA, PUERTO RICO, SOUTH CAROLINA, TENNESSEE, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA, SEND APPLICATIONS TO:

U.S. NUCLEAR REGULATORY COMMISSION, REGION II
NUCEAR MATERIALS SAFETY SECTION
101 MARIETTA STREET, SUITE 2900
ATLANTA, GA 30323

IF YOU ARE LOCATED IN:

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

U.S. NUCLEAR REGULATORY COMMISSION, REGION III
MATERIALS LICENSING SECTION
799 ROOSEVELT ROAD
GLEN ELLYN, IL 60137

ARKANSAS, COLORADO, IDAHO, KANSAS, LOUISIANA, MONTANA, NEBRASKA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, SOUTH DAKOTA, TEXAS, UTAH, OR WYOMING, SEND APPLICATIONS TO:

U.S. NUCLEAR REGULATORY COMMISSION, REGION IV
MATERIAL RADIATION PROTECTION SECTION
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TX 76011

ALASKA, ARIZONA, CALIFORNIA, HAWAII, NEVADA, OREGON, WASHINGTON, AND U.S. TERRITORIES AND POSSESSIONS IN THE PACIFIC, SEND APPLICATIONS TO:

U.S. NUCLEAR REGULATORY COMMISSION, REGION V
NUCLEAR MATERIALS SAFETY SECTION
1450 MARIA LANE, SUITE 210
WALNUT CREEK, CA 94596

PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTION.

1. THIS IS AN APPLICATION FOR *(Check appropriate item)*

☐ A. NEW LICENSE
☐ B. AMENDMENT TO LICENSE NUMBER ________________
☐ C. RENEWAL OF LICENSE NUMBER ________________

2. NAME AND MAILING ADDRESS OF APPLICANT *(Include Zip Code)*

3. ADDRESS(ES) WHERE LICENSED MATERIAL WILL BE USED OR POSSESSED.

4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION

TELEPHONE NUMBER

SUBMIT ITEMS 5 THROUGH 11 ON 8½ x 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL
a. Element and mass number, b. chemical and/or physical form, and c. maximum amount which will be possessed at any one time.

6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.

7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING AND EXPERIENCE.

8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.

9. FACILITIES AND EQUIPMENT.

10. RADIATION SAFETY PROGRAM.

11. WASTE MANAGEMENT.

12. LICENSEE FEES *(See 10 CFR 170 and Section 170.31)*

FEE CATEGORY

AMOUNT ENCLOSED $

13. CERTIFICATION *(Must be completed by applicant)* THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, AND 40 AND THAT ALL INFORMATION CONTAINED HEREIN, IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948, 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

SIGNATURE—CERTIFYING OFFICER	TYPED/PRINTED NAME	TITLE	DATE

FOR NRC USE ONLY

TYPE OF FEE	FEE LOG	FEE CATEGORY	COMMENTS
AMOUNT RECEIVED	CHECK NUMBER		
APPROVED BY			DATE

NRC FORM 313 (9-88)

ESTIMATED BURDEN PER RESPONSE TO COMPLY WITH THIS INFORMATION COLLECTION REQUEST: 7.5 HRS. FORWARD COMMENTS REGARDING BURDEN ESTIMATE TO THE RECORDS AND REPORTS MANAGEMENT BRANCH (P-530), U.S. NUCLEAR REGULATORY COMMISSION, WASHINGTON, DC 20555, AND TO THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET, WASHINGTON, DC 20503.

PART 18-70

NASA SUPPLEMENTARY REGULATIONS

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18-70.000 Scope of part.

SUBPART 18-70.1 NASA ACQUISITION OF INVESTIGATIONS SYSTEM
18-70.101 Purpose.
18-70.102 System content.
18-70.103 NASA acquisition of investigations.
Appendix I to 18-70.103 Guidelines for acquisition of investigations.

SUBPART 18-70.2 NASA RESEARCH ANNOUNCEMENT SYSTEM
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SUBPART 18-70.3 NASA SOURCE EVALUATION
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18-70.303 Source Evaluation Board procedures.
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PART 18-70 NASA SUPPLEMENTARY REGULATIONS

18-70.000 Scope of part.

This part contains NASA-unique regulations which --

(a) Constitute a system of regulations such that presentation in a unified format is essential;

(b) Relate to numerous FAR subparts;

(c) Have, as a whole, no clearly identifiable FAR counterpart; and

(d) May include non-regulatory material necessary to complete coverage of the instant subject.

SUBPART 18-70.1 NASA ACQUISITION OF INVESTIGATIONS SYSTEM

18-70.101 Purpose.

Experience has shown that the best space research results when active space research investigators personally participate in the selection of investigations. The investigation acquisition system provides the mechanism for encouraging the participation of investigators and selecting the investigations which contribute most effectively to the advancement of NASA's scientific and technological objectives. It is a system separate and distinct from the ordinary acquisition process, but requiring the same vigorous management and discipline to assure compliance with statutory requirements and elementary considerations of equitable treatment. "NASA Acquisition of Investigations" is the formal name under which this system is incorporated into the NASA FAR Supplement.

18-70.102 System content.

(a) The regulations governing the NASA Acquisition of Investigations system system shall set forth the entire system in a single document, covering the interrelated roles individuals with procurement and programmatic responsibilities both within NASA and the private sector. Therefore, the regulation will provide general and specific guidance to all NASA personnel engaged in the solicitation, evaluation and selection of investigations. It will emphasize the responsibilities of line management and, as appropriate, the selected investigators in the acquisition of equipment necessary for the investigation. It will provide for uniform procedures and equitable treatment in the evaluation and selection of investigators and acquisition of investigative equipment consistent with the FAR and NFS.

(b) The system regulation shall contain policy and procedures applicable to the solicitation of investigations with "Announcements of Opportunity," a form of broad agency announcement authorized at FAR 6.102(d)(2)(i).

18-70.103 NASA acquisition of investigations.

(a) The NASA Acquisition of Investigations System is prescribed by Appendix I to this section 18-70.103.

(b) NASA may reprint this Appendix I as a separate Handbook for sale and/or distribution provided the following two conditions are met:

(1) With the exception of availability and distribution information, any subsequent modification in the text shall be preceded by a change to the NASA FAR Supplement 18-70.103.

(2) The following information shall be included as a part of the prefatory material in the NASA Handbook:

IMPORTANT NOTICE

> This Handbook is a separately bound, verbatim version of NASA FAR Supplement (NFS) (48 CFR 18-70.103) Section 18-70.103, Appendix I. Reference to other parts of the Federal Acquisition Regulation (FAR) and the NFS will be required for complete coverage of all procurement aspects. NASA reserves the right to make changes to NFS 18-70.103, Appendix I without issuing a new edition of this Handbook. Any such changes will be published in the Federal Register; however, it is anticipated that such changes will be rare, unless mandated by statute or unusual circumstances. In the event of apparent conflict between this Handbook and the NFS, the NFS shall govern.

APPENDIX I TO 18-70.103: Guidelines for Acquisition of Investigations.

PREFACE

From its beginning, NASA has provided opportunities for qualified people in NASA, other Government agencies, colleges and universities, private industry, and foreign countries to participate in developing and carrying out its responsibilities in aeronautical and space activities. NASA has treated itself as a part of the scientific and technical community and has encouraged this community to bring to bear its expertise in developing investigatory objectives, selecting the investigations to carry out, participating in the resulting missions, analyzing the data obtained, and publishing the results.

Success of our program in aeronautics and space, in a large measure, can be attributed to the ability of NASA to harness the ideas, knowledge, and technical abilities of the investigators within and outside of NASA. Success has also been dependent on the effective development of equipment required for investigations. In the area of space applications, program success also depends upon the support of actual and potential users of space related systems, and upon how well NASA understands their operations and programmatic requirements.

The acquisition of investigations process covered by this Handbook allows the continuation of our successful cooperative endeavors with the scientific, technological, and applications user communities in the Space Transportation System, Spacelab, and Space Station era, and, at the same time, provides standards requiring greater attention to the planning and management of investigations. Also, this Handbook emphasizes the responsibilities of line management and, as appropriate, the selected investigators in the acquisition of equipment necessary for the investigation. This Handbook should assure uniform procedures and equitable treatment in the evaluation and selection of investigators and the acquisition of investigative equipment.

This Handbook provides general and specific guidance to all NASA personnel engaged in the solicitation, evaluation, and selection of investigations.

GUIDELINES FOR ACQUISITION OF INVESTIGATIONS

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102 Management Responsibilities

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403 Advisory Subcommittee Evaluation Process
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APPENDIX B GENERAL INSTRUCTIONS AND PROVISIONS

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APPENDIX D GLOSSARY OF TERMS AND ABBREVIATIONS ASSOCIATED WITH INVESTIGATIONS

CHAPTER 1–THE INVESTIGATION ACQUISITION SYSTEM

100 GENERAL

Experience has shown that the best space research results when active space research investigators personally participate in the selection of investigations. The investigation acquisition system provides the mechanism for encouraging the participation of investigators and selecting the investigations which contribute most effectively to the advancement of NASA's scientific and technological objectives. It is a system separate and distinct from the ordinary acquisition process but requiring the same vigorous management and discipline to assure compliance with statutory requirements and elementary considerations of equitable treatment.

101 KEY FEATURES OF THE SYSTEM

1. Utilization of the system commences with a Program Associate Administrator's determination that the investigation acquisition process is appropriate and applicable for a program under consideration. There follows a broadly disseminated Announcement of Opportunity (AO) to the interested community. This solicitation does not generally specify the investigations to be proposed but rather solicits investigative ideas which contribute to broad objectives. The proposals received are distinctive and innovative. In order to determine which of the dissimilar proposals should be selected, a formal competitive evaluation process is utilized. The evaluation for merit is normally made by experts in the specific fields represented by the proposals and care taken to avoid conflicts of interest. These peer evaluators may be from NASA, other Government agencies, universities, or the commercial sector. Along with or subsequent to the evaluation for merit, the other factors of the proposals, such as engineering, cost, and integration aspects, are reviewed by specialists in those areas. The evaluation conclusions as well as considerations of budget and other factors are used to formulate a complement of recommended investigations. A steering committee serving as staff to the Program Associate Administrator reviews the proposed payload or program of investigation, the iterative process, and the selection recommendations. The steering committee serves as a forum where different interests, such as flight program, discipline management, and administration, can be weighed and reconciled.

The Program Associate Administrator selects the investigations and the investigators who shall participate in the program. Once selected, an investigator is assigned appropriate key responsibilities relating to the investigation through a contract with the institution. In the case of foreign investigators, these responsibilities will usually be outlined in an agreement between NASA and the sponsoring governmental agency in the investigator's country.

2. The Announcement of Opportunity process provides a disciplined approach to investigation acquisition. The following major steps must be followed in each case where the determination is made to utilize the investigation acquisition system:

a. Announcement of Opportunity shall be signed by the appropriate Program Associate Administrator and shall be widely distributed to the scientific, technological, and applications user communities, as appropriate.

b. An evaluation team shall be formed including recognized peers of the investigators to review the proposals.

c. A project office will be assigned to assess the engineering, cost, integration, and management aspects of the proposals.

d. A program office will be responsible to formulate a complement of investigations consistent with the objectives stated in the Announcement of Opportunity, cost, and schedule constraints.

e. A steering committee appointed by the appropriate Program Associate Administrator shall review the proposed investigations for relevance and merit, will assure compliance with the system as described in this Handbook, and make selection recommendations.

f. Selections shall be made by the appropriate Program Associate Administrator.

3. Payloads will be formulated consisting of investigations selected through the Announcement of Opportunity process and/or other authorized methods.

4. When the need is determined by the Program Associate Administrator, payload specialists will be selected in accordance with NMI 7100.16, "Payload Specialists for NASA-Related Payloads."

102 MANAGEMENT RESPONSIBILITIES

1. Program Associate Administrators are responsible for overseeing the process and for making key decisions essential to the process including:

a. Determination to use the investigation acquisition system.

b. Appointment of the steering committee members.

c. Designation of a centralized staff to assure uniformity in the issuance of the Announcement of Opportunity and conformity with the required procedures in the evaluation and selection.

d. Reuse, to the maximum extent practicable, of space hardware and support equipment.

e. Determination to use advisory subcommittees, contractor, or full-time Government employees only in the evaluation process.

f. Issuance of the Announcement of Opportunity.

g. Selection of investigations and investigators, determination of need of a definition phase, determination of the role of the investigator with regard to providing essential investigation hardware and services, and determination of the need for payload specialists.

h. Assure due consideration is given to minorities in the establishment of peer groups, distribution of the Announcement of Opportunity, and in the selection of investigations.

i. Provide a timely, flexible framework for cooperative foreign participation in Space Shuttle, Spacelab, and Space Station missions.

2. Exercise of these responsibilities will require the professional assistance of experts in several functional, programmatic, and technical disciplines. The Program Associate Administrator should call upon such experts at appropriate times throughout the process. The remaining chapters of this Handbook will discuss the exercise of the foregoing responsibilities in greater detail.

CHAPTER 2--APPLICABILITY OF THE PROCESS

200 GENERAL

The system used for acquisition of investigations is separate and distinct from the agency procedures for procurement of known requirements of hardware and services. A decision to use this special acquisition process will be based on a considered determination, in accordance with the general guidance in this chapter, that it is the most suitable to meet program needs. The decision-making official will consider the criteria for use of the system. The project plan or other program or project documentation should discuss the proposed mode of investigations selection.

201 CRITERIA FOR DETERMINING APPLICABILITY

1. The decision to utilize the investigations acquisition process as an alternative to the normal planning and acquisition process of the agency can only be made after consideration of the special conditions which are requisite to its use. All of the following conditions should exist before deciding that the system is appropriate and applicable:

a. NASA has a general objective which can be furthered through unique, novel, experimental approaches. To develop such novel approaches, NASA wishes to draw upon the broadest reservoir of ideas that can be made available.

b. Choices must be made among competing dissimilar ideas in expanding knowledge of phenomena in the atmosphere and space.

c. Individual participation of an investigator is essential to exploitation of the opportunity.

2. The investigations acquisition process shall not be used when any of the following characteristics are present:

a. The requiring office can define a requirement sufficiently to allow for normal procurement. This includes requirements that can be stated as design or performance specifications, including requirements for the use of known technology and hardware, and requirements for continuation of existing tasks.

b. The program is extremely complex, requiring specialized integration, coordination, or other special handling, or extending over a lengthy period wherein individual participation is not essential.

c. It is not possible or considered essential to the program to follow the critical steps of the special investigations acquisition process.

202 PROGRAMS AND ACTIVITIES WHERE USE MAY BE CONSIDERED

1. **General**--The investigation acquisition process is most suitable for investigations aimed at exploration requiring several unique sensors or instruments, but it has been used successfully and advantageously in several types of opportunity. Each program is unique and the opportunities for participation in investigative effort will necessarily vary from program to program. Similarly, program implementation plans may provide opportunities for participation but may not meet the conditions necessary for use of the special investigations acquisition process. In those latter cases, the normal procurement procedures will be followed to meet the program needs. Because of the differences in programs, only general standards can be given to guide the decision of whether or not to use the alternate acquisition process.

There follows a discussion of several types of programs, the opportunities they offer, and comment on the suitability of the special process.

2. Exploration and Space Research Flights

a. **Examples**--Space Transportation System (STS) flights with attached payloads, generally Spacelab payloads; and free-flying spacecraft, such as Explorers, Pioneers, Space Telescope, Landsats, and Long Duration Exposure Facilities.

b. **Types of Opportunity**

(1) A common and sought after opportunity is to participate as a Principal Investigator responsible for conceiving and conducting a space investigation. This may involve a major piece of instrumentation. In the case of a "facility" or "multiuser" payload, each Principal Investigator's responsibilities would ordinarily involve a relatively minor portion of the total instrument.

(2) There may also be an opportunity to serve on a Principal Investigator's team as a team member or as a Co-Investigator.

(3) A type of opportunity that generally involves the use of data from another investigator's instrument is that of guest investigator or guest observer. Guest investigators usually participate after the primary objectives have been satisfied for the investigations involved.

(4) A team may be formed from selected investigators to assist in defining planned mission objectives and/or to determine, in a general manner, the most meaningful instruments to accomplish the mission objectives.

c. **Selection and Acquisition Procedures**--The investigation acquisition process may be applicable to all of these types of opportunities. The supposition common in these opportunities is that the best ideas and approaches are likely to result from the broadest possible involvement of the scientific, technological or applications user communities. Most free-flying spacecraft represent single flight opportunities in contrast to Spacelab payload acquisition which may have a number of discipline objectives since the flight opportunities are frequent and recurring.

3. Minor Missions

a. **Examples**--Research aircraft, sounding rockets, balloons, and minor missions are generally of short duration, small in size, often single purpose, and subject to repetition. Many investigations are follow-on to past-flight investigations.

b. **Types of Opportunity**

(1) Principal Investigators responsible for investigation.

(2) Data use or analysis.

c. **Selection and Acquisition Process**--Opportunities for participation on minor missions are generally suitable for normal procurement procedures. The use of a general announcement announcing the general nature and schedule of flights may be appropriate when considered necessary to broaden participation by requesting investigator-initiated research proposals. Procurement procedures as contained in NASA FAR Supplement shall be used for follow-on repeat flights. Although NASA seeks unique, innovative ideas for these missions, the prospect of reflight and the latitude in determining number and schedule of flights argue against the need for the use of the investigations acquisition process to force dissimilar proposals into an annual or periodic competitive structure. On the other hand, there are some minor missions addressed to specific limited opportunities; for example, a solar eclipse. When such limitations indicate that the special competitive structure is needed, it should be authorized.

4. **Operational and Operational Prototype Spacecraft**

a. **Examples**--GOES, TIROS.

b. **Selection and Acquisition Process**--The user agency can be expected to specify performance parameters. Payload definition will be the responsibility of the user agency and NASA. Specifications sufficient for normal procedures can be produced. Use of data from the mission is the responsibility of the user agency. Thus, the special process is not required.

5. **Reimbursable Missions**

a. **Examples** -- INTELSAT, SATCOM, WESTAR, MARISAT.

b. **Selection and Acquisition Process**--Payload determination and delivery are the responsibility of the user organization. NASA's role is essentially to provide launch services. No special process is required.

6. **Supporting Research and Technology (SR&T)**

a. **Examples**--Studies, minor developments, instrument conceptualization, ground-based observations, laboratory and theoretical supporting research, and data reduction and analysis which is unconstrained by a specific opportunity.

b. **Selection and Acquisition Process**--Programs in these areas tend to go forward on a continuing basis, rather than exploiting unique opportunities. Normal procurement procedures should be utilized to satisfy these requirements. A general announcement of area of interest could be made when greater participation is deemed advisable. Proposals can be solicited or unsolicited and can be entertained within the context of the normal procurement procedure.

203 SPECIFIC APPROVAL REQUIRED

The Program Associate Administrator responsible for the program is also responsible for determining whether or not to use the special investigations acquisition process. Normally on major projects, or when a project plan is required, use of the investigation acquisition system will be justified and recommended in the project planning documentation and will be coordinated with staff offices and discussed in the planning presentation to the Deputy Administrator or designee.

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CHAPTER 3--THE ANNOUNCEMENT OF OPPORTUNITY

300 GENERAL

The essence of the competitive solicitation is through use of an Announcement of Opportunity. The Announcement is characterized by its generality since NASA has not predetermined a specific and finite objective but only the general objective of the investigations. Notwithstanding its general nature, it is essential that the Announcement of Opportunity contains sufficient data in order to obtain meaningful proposals. To a considerable extent, the detail and depth of the Announcement will depend on the investigative objective. In all cases, judgment is of paramount importance, since the purpose is to get adequate information to assess the relevance, merit, cost, and management without overburdening the proposer.

301 NEED FOR PREPARATORY EFFORT

1. When the use of the Announcement process is contemplated, there is need to consult with appropriate Headquarters offices and the Project Installation responsible for the project prior to release of the Announcement. These consultations will require early involvement of the Project Installation and appropriate Headquarters offices in the investigation acquisition process.

2. In addition, the need to meet legal requirements in the acquisition processes will require early external Program Office involvement to:

a. Synopsize the Announcement in the Commerce Business Daily prior to the time of release.

b. Determine if there is instrumentation or support equipment available which may be appropriate to the Announcement with all necessary background data considered essential fo use by a proposer.

c. Determine mailing lists including the mailing list maintained by the International Affairs Division, Office of External Relations, for broad dissemination of the Announcement to the appropriate recipients.

d. Assure mandatory provisions are contained in the Announcement.

3. Other methods of dissemination of the Announcement may also be used, such as the use of press releases, etc. When possible, the Announcement should be widely publicized through publications of appropriate professional societies; however, NASA policy does not allow payment for the placement of advertisements.

302 RESPONSIBILITIES

1. The Program Office originator is responsible for the content of the Announcement and that coordination with concerned Headquarters offices and field installations has been accomplished. All personnel involved in the evaluation of investigative proposals are responsible for familiarizing themselves and complying with this Handbook and other applicable regulations. To this end, they are expected to seek the advice and guidance of appropriate Headquarters program and staff offices, and Project Installation management.

2. The Program Office is also responsible for coordinating the Announcement of Opportunity with the International Affairs, Educational Affairs, Management Support Divisions, Office of External Relations, Office of General Counsel, and Office of

Procurement prior to issuance. Attention is directed to NMI 1362.1, "Initiation and Development of International Participation and Cooperation in Aeronautical and Space Programs."

3. Concurrence of the Office of Procurement is required before issuance of an Announcement of Opportunity.

303 PROPOSAL OPPORTUNITY PERIOD

1. The Announcement of Opportunity is considered the primary method of soliciting investigations. As such, it is necessary that the process accommodate the continuous opportunities afforded by the Shuttle/Spacelab flights. Thus, the following methods may be utilized, individually or in combination, to enable an Announcement and resultant proposals to be open for an extended period of time and/or to cover a series or range of flight possibilities or disciplines:

a. The Announcement may be issued establishing a number of proposal submission dates. Normally, no more than three proposal submission dates should be established. The submittal dates may be spread over the number of months most compatible with the possible flight opportunities and the availability of resources necessary to evaluate and fund the proposals.

b. The Announcement may be issued establishing a single proposal submission date. However, the Announcement could provide that NASA may amend the Announcement to provide for subsequent dates for submission of proposals, if additional investigations are desired within the Announcement objectives. In this case, the initiative to reopen is a management determination. If sufficient investigations are selected to satisfy the Announcement objectives or the flight possibilities as a result of the first submission, subsequent opportunities for proposal submission by potential investigators would not be available.

c. The Announcement may be issued to provide for an initial submission date with the Announcement to remain open for submission of additional proposals up to a final cutoff date. This final date should be related to the availability of resources necessary to evaluate the continuous flow of proposals, the time remaining prior to the flight opportunity(s) contemplated by the Announcement, and payload funding and availability.

2. Generally, a core or primary payload of investigations would be selected from the initial submission of proposals under the above methods of open-ended Announcements. These selections could be final or tentative recognizing the need for further definition. Proposals received by subsequent submission dates would be considered in the scope of the original Announcement but would be subject to the opportunities and resources remaining available or the progress being made by prior selected investigations.

3. Any investigation proposal, whether received on the initial submission or subsequent submission, requires notification to the investigator and the investigator's institution of the proposal disposition. Some of the proposals will be rejected completely and the investigators immediately notified. The remaining unselected proposals may, if agreeable with the proposers, be held for later consideration and funding and the investigator so notified. However, if an investigator's proposal is considered at a later date by NASA, the investigator must be given an opportunity to validate the proposal with the investigator's institution and for updating the cost and other data contained in the original submission prior to a final selection. In summary, NASA may retain proposals, receiving

Category I, II, or III classifications (see paragraph 403), for possible later sponsorship until no longer feasible to consider the proposal. When this final stage is reached, the investigator must be promptly notified.

4. If the intent is to hold proposals for possible later consideration, as discussed in subparagraph 3, the Announcement should specifically indicate this intent and the procedure to be used. Proposing investigators not desiring their proposals be held for later consideration should be given the opportunity to so indicate in their original submissions.

304 GUIDELINES FOR ANNOUNCEMENT OF OPPORTUNITY

1. The preparation of the Announcement of Opportunity should be a multi-functional effort. It involves program and project management and usually involves other offices of NASA.

2. The Announcement should be tailored to the particular needs of the contemplated investigations and be complete in itself. Each Announcement will be identified as (Program Office) originated and numbered consecutively each calendar year, e.g., OSSA-1-86, OSSA-2-86; OAST-1-86; OSTDS-1-86; etc. The required format and detailed instructions regarding the contents of the Announcement are contained in Appendix A. They are summarized as follows:

a. **Description of the Opportunity**--The basic purpose or aims of the opportunity.

b. **Announcement Objectives**--A succinct statement of the specific scientific, applications, and/or technological objectives.

c. **Background**--An explanation of the context of the opportunity in relation to broader objectives, other disciplines, and prior studies and investigations.

d. **Proposal Opportunity Period**--The period in which the Announcement opportunity will remain open for receipt of proposals.

e. **Requirements and Constraints**--Technical, programmatic, cost, and schedule requirements or limitations.

f. **Proposal Submission Information**--Information relating to the proposal submission procedure.

g. **Proposal Evaluation, Selection, and Implementation**--The notification to the proposers of the evaluation criteria and the manner of proposal evaluation.

h. **Schedule**--Scheduled dates for activities related in the Announcement.

i. **Appendices**--The General Instructions and Provisions and any other appendices that are pertinent to the Announcement.

3. The General Instructions and Provisions (Appendix B) are necessary to accommodate the unique aspects of the Announcement of Opportunity process. The instructions and provisions inform potential investigators and their institutions of certain prerogatives of the selection official and of procedural requirements dictated by law and regulation. Therefore, they must be appended to each Announcement of Opportunity.

4. At the time of issuance, copies of the Announcement must be furnished to the Office of Procurement and to the Office of General Counsel.

5. Proposers should be informed of significant departures from scheduled

dates for activities related in the Announcement.

305 ANNOUNCEMENT OF OPPORTUNITY SOLICITING FOREIGN PARTICIPATION

Proposals for participation by individuals outside the U.S. should be submitted in the same format (excluding cost plans) as U.S. proposals; they should be typewritten and be in English; the proposals should be reviewed and endorsed by the appropriate foreign governmental agency. If letters of "Notice of Intent" are required, the Announcement should indicate that they be sent to NASA's International Affairs Division, Office of External Relations. Should a foreign proposal be selected, NASA will arrange with the sponsoring foreign agency for the proposed participation on a no-exchange-of-funds basis, in which NASA and the sponsoring agency will each bear the cost of discharging its respective responsibilities. Note that additional guidelines applicable to foreign proposers are contained in the Management Plan Section of Appendix C (see Section II) and must be included in any Guidelines for Proposal Preparation or otherwise furnished to foreign proposers.

306 GUIDELINES FOR PROPOSAL PREPARATION

While not all of the guidelines outlined in Appendix C will be applicable in response to every Announcement, the investigator should be informed of the relevant information required to allow for an evaluation of the investigator's proposal. The proposal may be submitted on a form to be supplied by the Program Office. However, the proposal should be submitted in at least two sections: (1) Investigation and Technical Section; and (2) Management and Cost Section as described in Appendix C.

CHAPTER 4--EVALUATION OF PROPOSALS

400 GENERAL

The evaluation process assures consideration of the several aspects of each proposal and constitutes a series of progressive sorting of the proposals. A review resulting in a categorization is performed by using one of the methods or combination of the methods outlined in paragraph 402. The purpose of this initial review is to determine the scientific and/or technological merit of the proposals in the context of the Announcement objectives. Those proposals which are considered to have the greatest scientific or technological merit are then reviewed in detail for the engineering, management, and cost aspects, usually by the Project Office at the installation responsible for the project. Final reviews are performed by the Program Office and the Steering Committee and are aimed at developing a group of investigations which represent an integrated payload or a well-balanced program of investigation which has the best possibility for meeting the announced scientific, applications, and/or technological objectives, and within programmatic constraints. The importance of considering the interrelationship of the several aspects of the proposals to be reviewed in the process and the need for carefully planning their treatment should not be overlooked. An evaluation plan has been found helpful to the evaluators, program management officials, and the selection official. The evaluation plan should be developed before issuance of the Announcement of Opportunity. It should cover the recommended staffing for any subcommittee or contractor support, review guidelines as well as the procedural flow and schedule of the evaluation. While not mandatory, such a plan should be considered for each Announcement. A fuller discussion of the evaluation and selection process is included in the following paragraphs.

401 CRITERIA FOR EVALUATION

1. The fundamental aim of the investigations acquisition process is the acquisition of those unique ideas and capabilities which best fulfill an Announcement's stated scientific, applications, and/or technological objectives. In furtherance of this goal, each Announcement must indicate those criteria which the evaluators will apply when assessing the merit of a proposal. The relative importance of each criterion must also be stated in the Announcement. The provision of this information will allow prospective investigators to make informed judgments in their attempt to formulate proposals that best meet the stated objectives.

2. Following is a list of general evaluation criteria which would be appropriate for inclusion in most Announcements:

a. The scientific, applications, and/or technological merit of the investigation.

b. The relevance of the proposed investigation to the Announcement's stated scientific, applications, and/or technological objectives.

c. The competence and experience of the investigator and any investigative team, as an indication of the investigator's ability to carry the investigation to a successful conclusion.

d. Adequacy of whatever apparatus may be proposed with particular regard to its ability to supply the data needed for the investigation.

e. The reputation and interest of the investigator's institution, as measured by the willingness of the institution to provide the support necessary to ensure that the investigation can be completed satisfactorily.

In addition to or in lieu of the criteria listed herein, additional criteria may be utilized. In all cases, the evaluation criteria must be germane to the accomplishment of the stated objectives.

3. Cost and management aspects will be considered in all selections.

4. Once the evaluation criteria and their relative importance are disseminated through issuance of the Announcement, it is essential that they be applied in a uniform manner. If it becomes apparent, before the date set for receipt of proposals, that the criteria or their relative importance should be changed, the Announcement will be amended, and all known recipients will be informed of the change and given an adequate opportunity to consider it in submission of their proposals. Evaluation criteria and/or their relative importance will not be changed after the date set for receipt of proposals.

402 METHODS OF EVALUATION

1. Alternative methods are available to initiate the evaluation of proposals received in response to an Announcement of Opportunity. These are referred to hereinafter as the Advisory Subcommittee Evaluation Process, the Contractor Evaluation Process, and the Government Evaluation Process. In all processes, a subcommittee of the appropriate Program Office Steering Committee will be formed for the purpose of categorizing the proposals. The various approaches, described in detail in paragraph 403, are summarized as follows:

a. **Advisory Subcommittee Evaluation Process**--An advisory subcommittee of the appropriate Program Office Steering Committee may be established to evaluate the scientific, applications, or technological merit of the proposals and to categorize them. This method envisions the use of non-Government peers or a combination of non-Government and Government peers. The impact of using one of the open-ended Announcement methods should be considered in establishing the subcommittee.

b. **Contractor Evaluation Process**--In some instances, it may be necessary for NASA to utilize a contractor to assist in evaluation of proposals. The contractor would not provide advice or recommendations to the agency nor categorize the proposals but would assist by submitting a summary of each proposal along with a listing of its major strengths and weaknesses to the Program Office. The Program Office, using full-time Government employees appointed as a subcommittee of the Program Office Steering Committee, will, upon consideration of the contractor's report, categorize the proposals. This method may also be used to aid an advisory subcommittee established as indicated in subparagraph a. in which event the categorization function will be performed by the advisory subcommittee.

c. **Government Evaluation Process**--In certain circumstances, such as those situations where the establishment of an advisory subcommittee is not feasible, it may be appropriate to appoint or assign full-time Government employee(s) as a subcommittee of the Program Office Steering Committee to perform the evaluation and categorization of proposals.

2. Following categorization under one of the methods outlined in subparagraphs a. through c., those proposals still in consideration will be processed to the selection official as prescribed hereafter.

403 ADVISORY SUBCOMMITTEE EVALUATION PROCESS

1. Evaluation of scientific and/or technological merit of proposed investigations is the responsibility of an advisory subcommittee of the Steering Committee. It is of prime importance that the appointment of members to the subcommittee be weighed carefully as these individuals may exercise significant influence on the selection of investigations and hence achievement of program goals and objectives.

2. The subcommittee constitutes a peer group qualified to judge the scientific and technological aspects of all investigation proposals submitted in a specific program. For a given application of the process, one or more subcommittees may be established depending on the breadth of the technical or scientific disciplines inherent in the Announcement's objectives. Each subcommittee represents a discipline or grouping of closely related disciplines. To maximize the quality of the subcommittee evaluation and categorization, the following conditions of selection and appointment should be considered.

a. The subcommittee normally should be established on an ad hoc basis for the particular objectives referenced in the Announcement.

b. Qualifications and broad acknowledgment of the professional abilities of the subcommittee members are of primary importance. Institutional affiliations, per se, are not sufficient qualifications.

c. The executive secretary of the subcommittee must be a full-time NASA employee.

d. Subcommittee members should normally be appointed as early as possible and prior to receipt of proposals.

e. In selecting members, care must be taken to avoid conflicts of interest. These include financial interests, institutional affiliations, professional biases and associations, as well as familiar relationships. Conflicts could further occur as a result of imbalance between Government and non-Government appointees, a member evaluating a proposal from the person's parent organization, or membership from institutions representing a singular school of thought in discipline areas involving competitive theories in approach to an investigation.

f. The subcommittee should convene as a group in closed sessions for proposal evaluation to protect the proposer's proprietary ideas and to allow frank discussion of the proposer's qualifications and the merit of the proposer's ideas. Lead review responsibility for each proposal may be assigned to members most qualified in the involved discipline. It is important that each proposal be considered by the entire subcommittee. It is only through this action that dissimilar ideas are forced into open competition.

3. It may not be possible to select a subcommittee fully satisfying all of the conditions described in subparagraph 2. For example, the most qualified specialists in a particularly narrow discipline may themselves, or some other part of their parent organization, be submitting proposals. It is not the purpose of these guidelines to establish provisions for making trade-offs, where necessary, among the above criteria (see subparagraph 2). This is properly the responsibility of the nominating and appointing officials. This latitude permits flexibility in making decisions in accord with circumstances of each application. In so doing, however, it is emphasized that recognized expertise in evaluating dissimilar proposals is essential to the continued workability of the investigation acquisition process.

4. Candidate subcommittee members should be nominated by the office having responsibility for the evaluation. Nominations should be approved in accordance with NMI 1150.2, "Establishment, Operation, and Duration of NASA Advisory Committees." The notification of appointment should specify the duration of assignment on the subcommittee, provisions concerning conflicts of interest, and arrangements regarding honoraria, per diem, and travel when actually employed.

5. It is important that members of the subcommittee be formally instructed as to their responsibilities with respect to the investigation acquisition process, even where several or all of the members have served previously. This briefing of subcommittee members should include:

a. Instruction of subcommittee members on agency policies and procedures pertinent to acquisition of investigations.

b. Review of the program goals, announcement objectives, and evaluation criteria, including relative importance, which provide the basis for evaluation.

c. Instruction on the use of preliminary proposal evaluation data furnished by the Installation Project Office. The subcommittee should examine these data to gain a better understanding of the proposed investigations, any associated problems, and to consider cost in relation to the value of the investigations' objectives.

d. Definition of responsibility of the subcommittee for evaluation and categorization with respect to scientific and/or technical merit in accordance with the evaluation criteria.

e. Instruction for documentation of deliberations and categorizations of the subcommittee.

f. Inform the chairperson of the subcommittee and all members that they should familiarize themselves with the provisions of the current "Standards of Conduct for NASA Employees", NHB 1900.1, or "Standards of Conduct for NASA Special Government Employees", NHB 1900.2, as appropriate, regarding conflicts of interest. Members should inform the appointing authority if their participation presents a real or apparent conflict of interest situation. In addition, all participants should inform the selection official in the event they are subjected to pressure or improper contacts.

g. Inform members that prior to the selection and announcement of the successful investigators and investigations, subcommittee members and NASA personnel shall not reveal any information concerning the evaluation to anyone who is not also participating in the same evaluation proceedings, and then only to the extent that such information is required in connection with such proceedings. Also, inform members that subsequent to selection of an investigation and announcement of negotiations with the investigator's institution, information concerning the proceedings of the subcommittee and data developed by the subcommittee will be made available to others within NASA only when the requestor demonstrates a need to know for a NASA purpose. Such information will be made available to persons outside NASA including other Government agencies, only when such disclosure is concurred in by the Office of General Counsel. In this connection, reference is made to 18 U.S.C. 1905 which provides criminal sanctions if any officer or employee (including special employees) of the United States discloses or divulges certain kinds of business confidential and trade secret information unless authorized by law.

6. The product of an advisory subcommittee is the classification of proposals into four categories. The categories are:

a. **Category I**--Well conceived and scientifically and technically sound investigations pertinent to the goals of the program and the Announcement's objectives and offered by a competent investigator from an institution capable of supplying the necessary support to ensure that any essential flight hardware or other support can be delivered on time and that data can be properly reduced, analyzed, interpreted, and published in a reasonable time. Investigations in Category I are recommended for acceptance and normally will be displaced only by other Category I investigations.

b. **Category II**--Well conceived and scientifically or technically sound investigations which are recommended for acceptance, but at a lower priority than Category I.

c. **Category III** -- Scientifically or technically sound investigations which require further development. Category III investigations may be funded for development and may be reconsidered at a later time for the same or other opportunities.

d. **Category IV**--Proposed investigations which are recommended for rejection for the particular opportunity under consideration, whatever the reason.

7. A record of the deliberations of the subcommittee should be prepared by the assigned executive secretary and should be signed by the Chairperson. The minutes should contain the categorizations with basic rationale for such ratings and the significant strengths and weaknesses of the proposals evaluated.

404 CONTRACTOR EVALUATION PROCESS

1. The use of the contractor method for obtaining support for evaluation purposes of proposals received in response to an Announcement of Opportunity requires the specific approval of the Program Associate Administrator. Prior to the use of this method, discussion should be held with the Office of Procurement.

2. It is NASA policy to avoid situations in the procurement process where, by virtue of the work or services performed for NASA, or as a result of data acquired from NASA or from other entities, a particular company:

a. Is given an unfair competitive advantage over other companies with respect to future NASA business;

b. Is placed in a position to affect Government actions under circumstances in which there is potential that the company's judgment may be biased; or

c. Otherwise finds that a conflict exists between the performance of work or services for the Government in an impartial manner and the company's own self-interest.

3. To reduce the possibility of an organizational conflict of interest problem arising, the following minimum restrictions will apply and be incorporated into the contract:

a. No employee of the contractor will be permitted to propose in response to the Announcement of Opportunity;

b. The "Limitation on Future Contracting" clause contained in NASA FAR Supplement 18-52.209-71 and the conditions set forth in NASA FAR Supplement 18-15.413-2 Alternate II (c) and (d) will be included in all such contracts; and

c. Unless authorized by the NASA contracting officer, the contractor shall not contact the originator of any proposal concerning its contents.

4. The scope of work for the selected contractor will provide for an identification of strengths and

weaknesses and a summary of the proposals. The contractor will not make selections nor recommend investigations.

5. The steps to be taken in establishing evaluation panels and the responsibilities of NASA and the contractor in relation to the panels will be as follows:

a. The contractor will be required to establish and provide support to panels of experts for review of proposals to evaluate their scientific and technical merit;

b. These panels will be composed of scientists and specialists qualified to evaluate the proposals;

c. The agency may provide to the contractor lists of scientist(s) and specialist(s) in the various disciplines it believes are qualified to serve on the panels;

d. The contractor will report each panel's membership to NASA for approval; and

e. The contractor must make all the necessary arrangements with the panel members.

6. The evaluation support by the contractor's panels of experts will be accomplished as follows:

a. The panels will review the scientific and technical merit of the proposals in accordance with the evaluation criteria contained in the Announcement and will record their strengths and weaknesses.

b. The contractor will make records of each panel's deliberations which will form the basis for a report summarizing the results of the evaluations. Upon request, the contractor shall provide all such records to NASA;

c. The chairperson of each panel should certify that the evaluation report correctly represents the findings of the review panel; and

d. A final report will be submitted as provided in the contract.

7. A subcommittee of the Program Office Steering Committee will be established on an ad hoc basis. Utilizing furnished data, the subcommittee will classify the proposals into the four categories enumerated in paragraph 403, "Advisory Subcommittee Evaluation Process." A record of the deliberations of the subcommittee should be prepared by an assigned executive secretary and signed by the chairperson. The minutes should contain the categorizations with the basic rationale for such ratings and the significant strengths and weaknesses of the proposals evaluated.

405 GOVERNMENT EVALUATION PROCESS

1. The Program Associate Administrator may, in accordance with NMI 1150.2, appoint one or more full-time Government employees as subcommittee members of the Program Office Steering Committee to evaluate and categorize the proposals.

2. Each subcommittee member should be qualified and competent to evaluate the proposals in accordance with the Announcement evaluation criteria. It is important that a subcommittee's evaluation be uninfluenced by others either within or outside of NASA.

3. The subcommittee members will not contact the proposers for additional information.

4. The subcommittee members will classify the proposals in accordance with the four categories indicated in paragraph 403. Each categorization will be supported by an appropriate rationale including a narrative of each proposal's strengths and weaknesses.

406 ENGINEERING, INTEGRATION, AND MANAGEMENT EVALUATION

1. The subcommittee responsible for categorization of each proposal in terms of its scientific, applications, or technical merit should receive information on probable cost, technical status, developmental risk, integration and safety problems, and management arrangements in time for their deliberations.

2. This information should be provided, where appropriate, at the discretion of the Headquarters Program Office by the Project Office at the cognizant installation. This information can be in fairly gross, general terms and should reflect what insights the Project Office can provide without requesting additional details from the proposers. This limited Project Office review will not normally give the subcommittees information of significant precision. The purpose is to give the subcommittee sufficient information so it can review the proposals in conjunction with available cost, integration, and management considerations to gain an impression of each investigator's understanding of the problems of the experiment and to permit gross trade-offs of cost versus value of the investigation objective.

3. Following categorization, the Project Office shall evaluate proposals still in contention, in depth, including a thorough review of each proposal's engineering, integration, management, and cost aspects. This review should be accomplished by qualified engineering, cost, and business analysts at the project center. The review must be a regular part of the evaluation and selection process.

4. In assessing proposed costs, the evaluation must consider:

a. The investigation objective.

b. Comparable, similar or related investigations.

c. Whether NASA or the investigator should procure the necessary supporting instrumentation or services and the relative cost of each mode.

d. Total overall or probable costs to the Government including integration and data reduction and analysis. In the case of investigations proposed by Government investigators, this includes all associated direct and indirect cost. With respect to cooperative investigations, integration, and other applicable costs should be considered.

5. The Project Office, as part of the in-depth evaluation of proposals that require instrumentation or support equipment, will survey all potential sources for Government-owned instrumentation or support equipment that may be made available, with or without modifications, to the potential investigator. Such items contributed by foreign cooperating groups which are still available under cooperative project agreements will also be considered for use under the terms and conditions specified in the agreements. As part of the evaluation report to the Program Office, the availability or nonavailability of instrumentation or support equipment will be indicated.

6. Proposals which require instrumentation should be evaluated by project personnel. This evaluation should cover the interfaces and the assessment of development risks. This evaluation should furnish the selection official with sufficient data to contribute to the instrument determinations. Important among these are:

a. Whether the instrument requires further definition;

b. Whether studies and designs are necessary to provide a reasonably accurate appreciation of the cost;

c. Whether the investigation can be carried out without incurring undue cost, schedule, or risk of failure penalties; and

d. Whether integration of the instrument is feasible.

7. In reviewing an investigator's management plan, the Project Office should evaluate the investigator's approach for efficiently managing the work, the recognition of essential management functions, and the effective overall integration of these functions. Evaluation of the proposals under final consideration should include, but not be limited to: workload--present and future related to capacity and capability; past experience; management approach and organization; e.g.:

a. With respect to workload and its relationship to capacity and capability, it is important to ascertain the extent to which the investigator is capable of providing facilities and personnel skills necessary to perform the required effort on a timely basis. This review should reveal the need for additional facilities or people, and provide some indication of the Government support the investigator will require.

b. A review should be made of the investigator, the investigator's institution, and any supporting contractor's performance on prior investigations. This should assist in arriving at an assessment of the investigator and the institution's ability to perform the effort within the proposed cost and time constraints.

c. The proposed investigator's management arrangements should be reviewed, including make or buy choices, support of any co-investigator, and preselected subcontractors or other instrument fabricators to determine whether such arrangements are justified. The review should determine if the proposed management arrangements enhance the investigator's ability to devote more time to the proposed experiment objectives and still effectively employ the technical and administrative support required for a successful investigation. In making these evaluations, the Project Office should draw on the installation's engineering, business, legal, and other staff resources, as necessary, as well as its scientific resources. If further information is needed from the proposers, it should be obtained through the proper contacts.

407 PROGRAM OFFICE EVALUATION

1. A Program Office responsible for the project or program at Headquarters will receive the evaluation of the several aspects of the proposals, and weigh the evaluative data to determine an optimum payload or program of investigation. This determination will involve recommendations concerning individual investigations; but, more importantly, should result in a payload or program which is judged to optimize total mission return within schedule, engineering, and budgetary constraints. The recommendations so made should facilitate sound selection decisions by the Program Associate Administrator. Three sets of recommendations result from the Program Office evaluation:

a. Optimum payload or program of investigations, or options for alternative payloads or programs.

b. Recommendation for final or tentative selection based on a determination of the degree of uncertainty associated with individual investigations. A tentative selection may be considered step one of a two-step selection technique.

c. Upon consideration of the guidelines contained in paragraph 501-1c, recommending responsibility for instrument development.

2. The cognizant Installation Project Office evaluation is principally concerned with ensuring that the proposed investigation can be managed, developed, integrated, and executed with an appropriate probability of technical success within the estimated probable cost. The Headquarters program Director, drawing upon these inputs, should be mainly concerned with determining a payload or program from the point of view of programmatic goals and budgetary constraints. Discipline and cost trade-offs are considered at this level. The Headquarters Program Office should focus on the potential contribution to program objectives that can be achieved under alternative feasible payload integration options.

3. It may be to NASA's advantage to consider certain investigations for tentative selection pending resolution of uncertainties in their development. Such tentative selections should be reconsidered after a period of time for final selection in a payload or program of investigations. This two-step selection process should be considered when:

a. The potential return from the investigation is sufficient, relative to that of the other investigations under consideration, and that its further development appears to be warranted before final selection.

b. The investigation potential is of such high priority to the program that the investigation should be developed for flight if at all possible.

c. The investigative area is critical to the program and competitive approaches need to be developed further to allow selection of the optimum course.

4. Based on evaluation of the above considerations associated with the investigations requiring further development of hardware, the following information should be provided to the Steering Committee and the Program Associate Administrator responsible for selection:

a. The expected gain in potential return associated with the eventual incorporation of tentatively recommended investigations in the payload(s) or program.

b. The expected costs required to develop instrumentation to the point of "demonstrated capability."

c. The risk involved in terms of added cost, probability of successfully developing the required instrument capability, and the possibility of schedule impact.

d. Identification of opportunities, if any, for inclusion of such investigations in later missions.

5. In those cases where investigations are tentatively selected, an explicit statement should be made of the process to be followed in determining the final payload or program of investigations and the proposers so informed. The two-phase selection approach provides the opportunity for additional assurance of development potential and probable cost prior to a full and final commitment to the investigation.

6. As instruments used in investigations become increasingly complex and costly, the need for greater control of their development by the responsible Headquarters Program Office also grows. Accordingly, as an integral part of the evaluation process, a deliberate decision should be made regarding the role of the Principal Investigator with respect to the

provision of the major hardware associated with that person's investigation. The guidelines for the hardware acquisition determination are discussed in paragraph 501-lc.

7. The range of options for responsibility for the instrumentation consists of:

a. Assignment of full responsibility to the Principal Investigator. The responsibility includes all in-house or contracted activity to fabricate, test, calibrate and provide the instrumentation for integration.

b. Retention of developmental responsibility by the Government with participation by the Principal Investigator in key events defined for the program. In all cases the right of the Principal Investigator to counsel and recommend is paramount. Such involvement of the Principal Investigator may include:

(1) Provision of instrument specifications.

(2) Approval of instrument specifications.

(3) Independent monitorship of the development and advice to the Government on optimization of the instrumentation for conduct of the investigation.

(4) Participation in design reviews and all other appropriate reviews.

(5) Review and concurrence in changes resulting from design reviews.

(6) Participation in configuration control board actions.

(7) Advice in definition of test program.

(8) Review and approval of test program and changes thereto.

(9) Participation in conduct of the test program.

(10) Participation in calibration of instrument.

(11) Participation in final inspection and acceptance of the instrument.

(12) Participation in subsequent test and evaluation processes incident to integration and flight preparation.

(13) Participation in the development and support of the operations plan.

(14) Analysis and interpretation of data.

8. Normally, the Principal Investigator should as a minimum:

a. Approve the instrument specification.

b. Consult and advise the project manager in development and fabrication.

c. Participate in final calibration of the instrument.

d. Develop and support the operations plan.

e. Analyze and interpret the data.

9. The cognizant Project Installation is responsible for implementing the program or project and should make recommendations concerning the appropriate role for the Principal Investigators. The responsible Program Associate Administrator will determine the role, acting upon the advice of the responsible Headquarters Program Office and the Steering Committee. The Principal Investigator's desires will be respected in the negotiation of the person's role allowing an avenue of appeal to the Program Associate Administrator and, of course, the right to withdraw from participation.

10. The Program Office responsible for the program should make a presentation to the Steering Committee with supporting documentation on the several decisions to be made by the

responsible Program Associate Administrator.

408 STEERING COMMITTEE REVIEW

1. The most important role of the Steering Committee is to provide a substantive review of a potential payload or program of investigations and to recommend a selection to the Program Associate Administrator. The Steering Committee applies the collective experience and insight of representatives from the program and discipline communities and offers a forum for discussing the logic of the selection from those points of view. In addition to this mission-specific evaluation function, the Steering Committee provides central guidance to subcommittee chairpersons and serves as a clearinghouse for problems and complaints regarding the evaluation and selection process. The Steering Committee is responsible for assuring adherence to required procedures. Lastly, it is the forum where discipline objectives are weighed against program objectives and constraints.

2. The Steering Committee represents the means for exercising three responsibilities in the process of selecting investigations to:

a. Review compliance with procedures governing application of the investigation acquisition process.

b. Ensure that adequate and appropriate documentation has been made of the several steps in the evaluation process.

c. Review the results of the evaluation by the subcommittee, Project, and Program Offices and prepare an assessment or endorsement of a recommended payload or program of investigations to the Program Associate Administrator.

3. The purpose in exercising the first of these responsibilities is to ensure equity and consistency in the application of the process. In this sense, the Steering Committee is intended to provide the necessary checks, balances, reviews, and coordination established through procedures and controls inherent in conventional acquisition practices.

4. The second and third responsibilities of the Steering Committee are technical in nature. They require that the Steering Committee review the evaluations by subcommittee, the Project Office, and the Program Office in terms of their completeness and appropriateness for forwarding to the Program Associate Administrator. Most important in this review are:

a. Degree to which results of evaluations and recommendations follow logically from the criteria contained in the Announcement.

b. Consistency with objectives and policies generally beyond the scope of affected Project/Program Offices.

c. Sufficiency of reasons stated for tentative recommendations of those investigations requiring further instrument research and development.

d. Sufficiency of reasons stated for determining responsibilities for instrument development.

e. Sufficiency of consideration of reusable space flight hardware and support equipment for the recommended investigations.

f. Sufficiency of reasons given for classifying proposed investigations in their respective categories.

g. Fair treatment of all proposals.

5. The Steering Committee makes recommendations to the selection official

on the payload or program of investigations and notes caveats or provisions important for consideration of the selection official.

409 PRINCIPLES TO APPLY

1. Paragraph 408 contains a description of the evaluation function appropriate for a major payload or very significant program of investigation. The levels of review, evaluation, and refinement described should be applied in those selections where warranted but could be varied for less significant selection situations. It is essential to consider the principles of the several evaluative steps, but it may not be essential to maintain strict adherence to the sequence and structure of the evaluation system described. The selection official is responsible for determining the evaluation process most appropriate for the selection situation using this Chapter as a guide.

2. Significant deviations from the provisions of this Handbook must be fully documented and be approved by the Program Associate Administrator after concurrence by the Office of General Counsel and Office of Procurement.

CHAPTER 5--THE SELECTION PROCESS

500 GENERAL

The Program Associate Administrator is responsible for the final decision on those investigations to be selected for contract negotiation. This decision culminates the several types of evaluations and processes that can be summarized as follows:

Evaluation Stage	Principal Emphasis	Results
Contractor (when authorized)	Summary evaluation (strengths and weaknesses.	Report to Subcommittee.
Subcommittee	Science and technological relevance, value, and feasibility.	Categorization of individual proposals.
Project Office	Engineering/cost/integration/management assessment.	Reports to Subcommittee and Program Office.
Program Office	Consistency with Announcement and program Objectives, and cost and schedule constraints.	Recommendations to Steering Committee of payload or program of investigations.
Steering Committee	Logic of proposed selections and compliance with proper procedures.	Recommendations to Program Associate Administrator.

501 DECISIONS TO BE MADE

1. The selection decisions by the Program Associate Administrator constitute management judgments balancing individual and aggregate scientific or technological merit, the contribution of the recommended investigations to the Announcement's objectives, and their consonance with budget constraints. In so doing, the selection official may develop such additional data to make the following decisions:

a. Determination of the adequacy of scientific/technical analysis supporting the recommended selections. This supporting rationale should involve considerations including:

(1) Assurance that the expected return contributes substantially to program objectives and is likely to be realized.

(2) Assurance that the evaluation criteria were applied consistently to all proposed investigations, thus ensuring that selection and rejection decisions are proper and fair.

(3) Assurance that the set of recommended investigations constitutes the optimum program or payload considering potential value and constraints.

(4) Assurance that only one investigator is assigned as the Principal Investigator to each investigation and that the Principal

Investigator will assume the associated responsibilities and be the single point of contact and leader of any other investigators selected for the same investigation.

b. Determination as to whether available returned space hardware or support equipment, with or without modification, would be adequate to meet or support investigation objectives.

c. Determination as to whether the proposed instrument fabricator qualifies and should be accepted as a sole source or whether the requirement should be subjected to competitive solicitation. The following guidelines apply:

(1) The hardware requirement should be subjected to competitive solicitation in those instances where it is clear that the capability is not sufficiently unique to justify sole source procurement.

(2) The hardware requirement should be purchased from the fabricator proposed by the investigator, which may be the investigator's own institution, (a) when the fabricator's proposal contains technical data that are not available from another source, and it is not feasible or practicable to define the fabrication requirement in such a way as to avoid the necessity of using the technical data contained in the proposal; (b) when the fabricator offers unique capabilities that are not available from another source; (c) when the selection official determines as part of the selection that the hardware of the particular fabricator contributes so significantly to the value of the investigator's proposal as to be an integral part of it.

(3) If a producer other than the one proposed by the investigator offers unique capabilities to produce the hardware requirement, NASA may buy the hardware from the qualified fabricator.

(4) If a NASA employee submits a proposal as a principal investigator, any concomitant requirement for hardware necessary to perform the investigation must, in accordance with CICA, either be competed by the installation procurement office or, should it be determined that the hardware is so unique as to constitute a sole source, a justification must be written, synopsized, and approved in accordance with the requirements of FAR and the NFS.

d. Determination of the desirability for tentative selection of investigations. This determination involves considerations including:

(1) Assessment of the state of development of the investigative hardware, the cost and schedule for development in relation to the gain in potential benefits at the time of final selection.

(2) Assurance that there is adequate definition of investigation hardware to allow parallel design of other project hardware.

(3) Assurance that appropriate management procedures are contained in the project plan for reevaluation and final selection (or rejection) on an appropriate time scale.

e. Determination of the acceptability of the proposer's management plan, including the proposed hardware development plan, and the necessity, if any, of negotiating modifications to that plan.

2. In the process of making the above determinations described in subparagraph 1, the Program Associate Administrator may request additional information or evaluations. In most instances, this information can be provided by the Program Office responsible for the mission, project, or program. However, where it is determined appropriate, the Program Associate Administrator may reconvene the subcommittee or poll the members individually or provide for additional analysis or require additional data from evaluators or proposers as considered

necessary to facilitate the Program Associate Administrator's decision.

502 THE SELECTION STATEMENT

Upon completion of deliberations, the responsible Program Associate Administrator shall issue a selection statement. Ordinarily this statement will, upon request, be releasable to the public. As a minimum, the selection statement should include:

1. The general and specific evaluation criteria and relative importance used for the selection.

2. The categorizations provided by the subcommittee and the basic rationale for accepting or not accepting each Category I proposal and a succinct statement concerning the nonacceptance of all other proposals.

3. A concise description of each investigation accepted including an indication as to whether the selection is a partial acceptance of a proposal and/or a joinder with other investigators.

4. The role of the Principal Investigator with regard to hardware essential to the investigation and whether the Principal Investigator will be responsible for hardware acquisition and the basis therefor.

5. An indication of the plan and acquisition using the regular procurement processes, if the Principal Investigator is not to acquire the hardware.

6. A statement indicating whether the selection is final or tentative, recognizing the need for better definition of the investigation and its cost.

7. A statement indicating any use of Government-owned available space flight hardware and/or support equipment.

503 NOTIFICATION OF PROPOSERS

1. It is essential that investigators whose proposals are determined to have no reasonable chance for selection be apprised of that fact as soon as practicable. To this end, the responsible Program Office will, upon such determination, promptly notify investigators of that fact together with an exposition of the major reason(s) why the proposals were so considered. The notification letter should also inform such investigators that they may obtain a detailed oral debriefing provided they request it in writing. The letter should point out that such a debriefing would be available only after completion of the selection process and would otherwise be conducted in accordance with NASA regulations (NASA FAR Supplement). (See paragraph 504.)

2. As a result of the selection decisions made by the Program Associate Administrator, letters of notification will be sent to those Principal Investigators selected to participate. This notification letter should not commit the agency to more than negotiations for the selected investigation leading to a contract, but it should clearly indicate the decision made and contain:

   a. A concise description of the Principal Investigator's investigation as selected, specifically noting substantive changes, if any, from the investigation originally proposed by the Principal Investigator.

   b. The nature of the selection, i.e., whether it should be considered final or tentative requiring additional hardware or cost definition.

   c. A description of the anticipated role of the Principal

Investigator including the responsibility for the provision of instruments for flight experiments.

d. Identification of the principal technical and management points to be treated in subsequent negotiations.

e. Any rights to be granted on use of data, publishing of data, and duration of use of the data.

f. Where applicable, indication that a foreign selectee's participation in the program will be arranged between the International Affairs Division, Office of External Relations, and the foreign government agency which endorsed the proposal.

3. In conjunction with the notification of successful foreign proposers, the Program Office shall forward a letter to the responsible International Affairs Division, Office of External Relations, addressing the following:

a. The overall scientific technological objective of the planned effort.

b. The period of time during which the effort is planned.

c. The respective responsibilities of NASA and of the sponsoring (endorsing) governmental agency; these may include:

(1) Provision and subsequent disposition of hardware and software.

(2) Responsibilities for reporting, reduction and dissemination of data.

(3) Responsibilities for transportation of hardware.

d. Any additional information pertinent to the successful conduct of the experiment.

4. Using the information provided in subparagraph 3, the International Affairs Division, Office of External Relations will prepare and negotiate an agreement with the sponsoring foreign agency.

5. Notices shall also be sent to those proposers not previously notified pursuant to the preceding paragraphs, and, as applicable, a copy to the sponsoring foreign government agency. It is important that these remaining proposers be informed at the same time as those selected. Other agency notifications and press release procedures will apply, as appropriate.

504 DEBRIEFING

It is the policy of the National Aeronautics and Space Administration to debrief, if requested, unsuccessful proposers of investigations in accordance with NFS 18-15.1003. The following considerations are offered in arranging and conducting debriefings:

1. Debriefing should be carried out by an official designated by the responsible Program Associate Administrator. Any other personnel receiving requests for information concerning the rejection of a proposal should refer to the designated official.

2. Debriefing of unsuccessful offerors should be made at the earliest possible time; debriefing will generally be scheduled subsequent to selection but prior to award of contracts to the successful proposers.

3. Material discussed in debriefing should be factual and wholly consonant with the documented findings of several stages of the evaluation process and the selection statement.

4. The debriefing official should advise of weak or deficient areas in the proposal, indicate whether those weaknesses were factors in the selection, and advise of the major considerations in

selecting the competing successful proposer where appropriate.

5. The debriefing official should not discuss other unsuccessful proposals, ranking, votes of members, or attempt to make a point-by-point comparison with successful proposals.

6. A memorandum of record of the debriefing should be provided the Chairperson of the Steering Committee.

CHAPTER 6--PAYLOAD FORMULATION

600 PAYLOAD FORMULATION

1. Payload elements for Space Transportation System (STS) missions can come from many sources. These include those selected through Announcements of Opportunity, those generated by in-house research and funded through the Research and Technology Operations and Plans (RTOP) procedures, unsolicited (domestic and foreign) proposals and those derived from agreements between NASA and external entities. Missions may have payload elements originating from any or all of these sources. However, it is anticipated that the primary source of NASA payload elements will be the Announcement process. Generally, proposals for payload elements submitted outside the Announcement process will not be selected if they would have been responsive to a stated Announcement objective.

2. Payload elements for STS flights fall into two major categories. "NASA or NASA-related" payload elements are those which are developed by a NASA Program Office or by another party with which NASA has a shared interest. "Non-NASA" payload elements are those which require only STS operation services from NASA and hence interface with NASA through the Office of Space Flight.

3. In general, a Program Office will be designated to be responsible for formulating the "NASA or NASA-related" portion of an STS payload. The Office of Space Flight will be responsible for formulating the "non-NASA" portion of an STS payload. Flights may, of course, consist wholly of payload elements of either type defined in subparagraphs 1 and 2. Resource allocation for mixed missions will be determined jointly by the designated Program Office and the Office of Space Flight.

CHAPTER 7--PROCUREMENT AND OTHER CONSIDERATIONS

700 EARLY INVOLVEMENT ESSENTIAL

1. The distinctive feature of the Announcement of Opportunity process is that it is both a program planning system and a procurement system in one single procedure. The choice of what aeronautical and space phenomena to investigate is program planning. Procurement is involved with the purchase of property and services to carry out the selected investigations.

2. Because of both the programmatic and multi-functional aspects of the Announcement of Opportunity process, early involvement of external program office elements is essential. Success of the process requires that it proceed in a manner that meets program goals and is clearly in line with statutory requirements and sound procurement policy.

3. The planning preparation and selection schedule for the investigation should commence early enough to meet the present statutory and regulatory requirements. Chief of these are the requirements for soliciting maximum feasible competition and for conducting discussions with offerors within the competitive range by the Project Office and/or any other evaluation group or office authorized by the selection official.

701 NEGOTIATION, DISCUSSIONS, AND CONTRACT AWARD

Indicated below are some of the major procurement procedures that need to be accomplished or performed to assure uniformity and sufficiency in the acquisition of investigations. These areas are not exclusive and not intended to substitute for adequate coordination and good judgment before issuance of the Announcement, during evaluation of proposals, and prior to contract award.

1. As negotiated procurements must be made by soliciting proposals from the maximum number of qualified sources consistent with the requirement, the Announcement of Opportunity must also be synopsized in the Commerce Business Daily. Responses to the synopsis must be added to the Announcement mailing list. Every effort should be made to publish opportunities far enough in advance to encourage a broad response. (In no case less than 45 days before the date set for receipt of proposals).

2. Significant items for consideration after receipt of proposals:

a. **Late Proposals**--The NASA policy on late proposals contained in the NASA FAR Supplement (NFS 18-15.412) is applicable to proposals received in response to an Announcement of Opportunity. Potential investigators should be informed of this policy. In the Announcement of Opportunity context, the selection official or designee will determine whether a late proposal will be considered.

b. **Competitive Considerations**

(1) The acquisition of investigations involves the solicitation of unique, novel, and unspecified ideas to meet NASA's aeronautical and space responsibilities. The proposals submitted in response to these solicitations are not necessarily fully comparable. Rather these are discrete, novel scientific and technical investigative ideas associated with a limited opportunity. Although not necessarily fully comparable, all proposals within the scope of a specified opportunity must nevertheless be evaluated in accordance

with the criteria stated in the Announcement.

(2) Cost must be considered in the evaluation if costs are involved in the investigation. Accordingly, general cost information should be given to the subcommittee by the Installation Project Office for use in determining the categories into which the subcommittee places proposals.

(3) Further information should be obtained, as necessary, by the Installation Project Office and/or any other evaluation group or office authorized by the selection official and from the investigators whose proposals are still being considered. This would be similar to the regular procurement procedure for conducting written and oral discussions. A major consideration during discussions is to avoid unfairness and unequal treatment. Obviously, good judgment is required by all concerned in the extent and content of the discussions. There should be no reluctance in obtaining the advice and guidance of management and staff offices during the discussion phase. A summary should be prepared of the primary points covered in the written and oral discussions and show the effect of the discussions on the evaluation of proposals. This summary should also contain general information about the questions submitted to the investigators, the amount of time spent in oral discussion, and revisions in proposals, if any, resulting from the discussions.

(4) During the conduct of discussions, all proposers still being considered shall be offered an equitable opportunity to submit such cost, technical, or other revisions in their proposals as may result from the discussions. All proposers shall be informed that any revisions to their proposals must be submitted by a common cut-off date in order to be considered. The record should take note of compliance of the investigators with that cut-off

3. Significant items for consideration before award:

a. **Issuance of a Request for Proposal (RFP)**--A formal RFP should not be issued to obtain additional information on proposals accepted under the Announcement of Opportunity process. Additional technical, cost, or other data received should be considered as a supplement to the original proposal.

b. **Selection of Investigator/ Contractor**--The selection decision of the Program Associate Administrator approves the selected investigators and their institutions as the only satisfactory sources for the investigations. The selection of the investigator does not constitute the selection of that person's proposed supporting hardware fabricator unless the selection official specifically incorporates the fabricator in the selection decision.

702 APPLICATION OF THE FEDERAL ACQUISITION REGULATION (FAR) AND THE NASA FAR SUPPLEMENT (NFS)

The Announcement of Opportunity process supplants normal procurement procedures only to the extent necessary to meet the distinctive features of the process that it is both a program planning system and a procurement system in a single procedure. This process is not intended to conflict with any established statutory requirements. The FAR, the NFS, and related procurement directives should be referred to for guidance and clarification in those instances where specific instructions are not contained in this Handbook.

703 OTHER ADMINISTRATIVE AND FUNCTIONAL REQUIREMENTS

After selection, all other applicable administrative and functional requirements will be complied with or incorporated in any resultant contract. These may include requirements contained in such publications as NHB 5300.4(1B), "Quality Program Provisions for Aeronautical and Space System Contractors," and NHB 9501.2, "Procedures for Contractor Reporting of Correlated Cost and Performance Data."

APPENDIX A: FORMAT OF ANNOUNCEMENT OF OPPORTUNITY (AO)

* * *

OMB Approval Number 2700-0042

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
Washington, DC 20546

ANNOUNCEMENT OF OPPORTUNITY

A0 No. ________ (Issuance Date)

(DESCRIPTIVE HEADING)

I. Description of the Opportunity

This section should set forth the basic purpose of the Announcement and describe the opportunity in terms of NASA's desire to obtain proposals which will meet the stated scientific, applications and/or technological objectives. These objectives may be directed to the generation of proposals for investigations and/or they may pertain to the acquisition of dissimilar ideas leading to selection of investigators, guest observers, guest investigators, or theorists; and/or any other approved area as identified in NHB 8030.6. In those instances wherein proposals for investigations are sought, this section should describe the requirement, if any, for selected investigators to serve on advisory or working groups. In those instances where the project or program has not yet been approved, an appropriate qualifying statement should be included to clearly indicate that this Announcement of Opportunity does not constitute an obligation on the part of the Government to carry the proposed effort to completion.

II. Announcement Objectives

This section will give a succinct statement of the specific scientific, applications, and/or technological objective(s) for the opportunity(s) for which proposals are sought.

III. Background

This section should provide an explanation of the context of the opportunity, i.e., information which will help the reader to understand the relevance of the opportunity in relation to broader objectives. For example, if the opportunity is related to a specific mission, this section should so indicate and provide information regarding the mission objectives. If, on the other hand, the opportunity is not related to a specific mission (for example, where the opportunity is discipline-oriented), this section should reflect that fact and provide information which will give the reader insight into the circumstances which have given rise to the opportunity and its relevance to the general scheme of things. Information on prior studies and their availability should, if relevant to an understanding of the opportunity, be disclosed here.

IV. Proposal Opportunity Period

This section should inform the reader of the proposal opportunity period(s). The following methods may be utilized individually or in conjunction for establishing the proposal opportunity period(s):

1. The Announcement may be issued establishing a single date by which proposals may be received. However, the Announcement could provide that the agency may amend the AO to provide for subsequent dates for submission of proposals, if additional investigations

are desired. In this case, the initiative to reopen is an agency management determination and if sufficient investigations were selected for the Announcement objectives or flight possibilities, subsequent opportunities for proposal submission by potential investigators would not be available.

2. The Announcement may be issued to provide for an initial submission date with the AO to remain open for submission of additional proposals up to a final cutoff date. This final date should be related to the availability of resources necessary to evaluate the continuous flow of proposals and the time remaining prior to the flight opportunities contemplated by the Announcement.

3. The Announcement may be issued establishing a number of dates by which proposals may be received. Normally no more than three proposal submission dates should be established. The submittal dates may be spread over the number of months most compatible with the possible flight opportunities and the availability of resources necessary to evaluate and fund the proposal. If desired, this section should further inform the reader that if a proposal receives a Category I, II, or III rating but is not selected for immediate support, the proposal may, if desired by the proposer, be held by NASA for later consideration within the ground rules set forth in paragraphs 1 and 2. The section should inform the reader that if the person wishes the proposal to be so treated, it should be indicated in the proposal. This section should further indicate that offerors whose proposals are to be considered at a later time will be given the opportunity to revalidate their proposals with their institution and update cost data.

V. Requirements and Constraints.

1. This section will include technical, programmatic, cost, and schedule requirements or constraints, as applicable, and will specify performance limits such as lifetime, flight environment, safety, reliability, and quality assurance provisions for flightworthiness. It will specify the requirements and constraints related to the flight crew and the ground support. It will also include requirements for data analysis, estimated schedule of data shipment to user or observer, need for preliminary or raw data analysis and interim reports. It will specify planned period (time) for data analysis to be used for budgeting. It will provide any additional information necessary for a meaningful proposal.

2. When NASA determines that instrumentation, ground support equipment, or NASA supporting effort will be required or may be expected to be required by the contemplated investigations, the Announcement should indicate to the potential investigators that they must submit specific information regarding this requirement to allow an in-depth evaluation of the technical aspects, cost, management, and other factors by the Installation Project Office.

VI. Proposal Submission Information.

1. **Preproposal Activities**--In this section, the Announcement will indicate requirements and activities such as the following:

a. Submittal of "Notice of Intent" to propose (if desired), date for submission, and any additional required data to be submitted. Indicate whether there are information packages which will only be sent to those who submit "Notice of Intent."

b. Attendance at the preproposal conference (if held). Information should be provided as to time, place, whether attendance will be restricted in number from each institution, and whether prior notice of intention to attend is required. If desired, a request may be included that questions be submitted in writing several days before the conference in order to prepare replies.

c. The name and address of the scientific or technical contact for questions or inquiries.

d. Any other preproposal data considered necessary.

2. **Format of Proposals**--This section should provide the investigator with the information necessary to enable an effective evaluation of the proposal. The information is as follows:

a. **Proposal**--The Announcement should indicate how the proposal should be submitted to facilitate evaluation. The proposal should be submitted in at least two sections; (1) Investigation and Technical Section; and (2) Management and Cost Section.

b. **Certification**--The proposal must be signed by an institutional official authorized to certify institutional support, sponsorship of the investigation, management, and financial aspects of the proposal.

c. **Quantity**--The number of copies of the proposal should be specified. One copy should be clear black and white, and on white paper of quality suitable for reproduction.

d. **Submittal Address**--Proposals from domestic sources should be mailed to arrive not later than the time indicated for receipt of proposals to:

National Aeronautics and Space Administration
Office of (Program)
Code __________ AO No. __________
Washington, DC 20546

e. **Format**--To aid in proposal evaluation, and to facilitate comparative analysis, a uniform proposal format will be required for each Announcement. The number of pages, page size, and restriction on photo reduction, etc., may be included therein. The format contained in Appendix C can be used as a guide. Proposers may be requested to respond to all of the items contained therein or the Announcement may indicate that only selected items need be addressed. Using the Appendix format as a guide, specific guidelines may be prepared for the Announcement or an appropriate form developed. The major consideration is that all proposals be received in a similar format.

3. **Additional Information**--This section may be used to request or furnish data considered necessary to obtain clear and concise proposals that should not require further discussions with the proposer by the evaluators. Any other pertinent data could also be included in this section, such as significant milestones.

4. **Foreign Proposals**--The detailed procedures for submission of proposals from outside the U.S. are contained in Appendix B, "General Instructions and Provisions." This section will describe any additional requirements, for example, if information copies of proposals are required to be furnished by the proposer to other organizations, such as European Space Agency (ESA), at the same time the proposal is sent to NASA, this should be indicated here.

5. **Cost Proposals (U.S. Investigators Only)**--This section defines any special requirements regarding cost proposals of domestic investigators. Reference then should be made to the cost proposal certifications indicated in Appendix B, "General Instructions and Provisions."

VII. Proposal Evaluation, Selection, and Implementation.

1. **Evaluation and Selection Procedure.**

a. This section should notify the proposers of the evaluation process, i.e., advisory subcommittee, government evaluation and/or contractor assistance.

b. For example, a statement similar to the following should be included:

> "Proposals received in response to this Announcement of Opportunity will be reviewed by a subcommittee appointed by the (appropriate Program Associate Administrator). The purpose of the review is to determine the scientific/technical merit of the proposals in the context of this Announcement of Opportunity and so categorize the proposals. Those proposals which are considered to have the greatest scientific/technical merit are further reviewed for engineering, integration, management, and cost aspects by the Project Office at the installation responsible for the project. On the basis of these reviews, and the reviews of the responsible Program Office and the Steering Committee, the (appropriate Program Associate Administrator) will appoint/select the investigators/investigations."

2. **Evaluation Criteria.**

a. This section should indicate that the selection of proposals which best meet the specific scientific, applications, and/or technological objectives, as stated in the Announcement, is the fundamental aim of the solicitation. This section should then list the criteria to be used in the evaluation of proposals and indicate their relative importance. See paragraph 401, NHB 8030.6, for a listing of criteria generally appropriate.

b. Following a listing of the criteria and an indication of their relative importance, this section will also inform the proposers that cost and management factors, e.g., proposed small business participation in instrumentation fabrication or investigation support, will be separately considered.

VIII. Schedule.

This section should include the following, as applicable:

1. Preproposal conference date.

2. Notice of Intent submittal date.

3. Proposal submittal date(s).

4. Target date for announcement of selections.

IX. Appendices.

1. General Instructions and Provisions (must be attached to each Announcement).

2. Other Pertinent Data, e.g., Spacelab Accommodations Data.

/s/ Associate Administrator
for (Program)

APPENDIX B: GENERAL INSTRUCTIONS AND PROVISIONS

I. Instrumentation and/or Ground Equipment

By submitting a proposal, the investigator and institution agree that NASA has the option to accept all or part of the offeror's plan to provide the instrumentation or ground support equipment required for the investigation or NASA may furnish or obtain such instrumentation or equipment from any other source as determined by the selecting official. In addition, NASA reserves the right to require use, by the selected investigator, of Government instrumentation or property that subsequently becomes available, with or without modification, that will meet the investigative objectives.

II. Tentative Selections, Phased Development, Partial Selections, and Participation with Others

By submitting a proposal, the investigator and the organization agree that NASA has the option to make a tentative selection pending a successful feasibility or definition effort. NASA has the option to contract in phases for a proposed experiment, and to discontinue the investigative effort at the completion of any phase. The investigator should also understand that NASA may desire to select only a portion of the proposed investigation and/or that NASA may desire the individual's participation with other investigators in a joint investigation, in which case the investigator will be given the opportunity to accept or decline such partial acceptance or participation with other investigators prior to a NASA selection. Where participation with other investigators as a team is agreed to, one of the team members will normally be designated as its team leader or contact point.

III. Selection Without Discussion

The Government reserves the right to reject any or all proposals received in response to this Announcement when such action shall be considered in the best interest of the Government. Notice is also given of the possibility that any selection may be made without discussion (other than discussions conducted for the purpose of minor clarification). It is therefore emphasized that all proposals should be submitted initially on the most favorable terms that the offeror can submit.

IV. Foreign Proposals

See Appendix C, Section II, paragraph 3.

V. Treatment of Proposal Data

It is NASA policy to use information contained in proposals and quotations for evaluation purposes only. While this policy does not require that the proposal or quotation bear a restrictive notice, offerors or quoters should, in order to maximize protection of trade secrets or other information that is commercial or financial and confidential or privileged, place the following notice on the title page of the proposal or quotation and specify the information, subject to the notice by inserting appropriate identification, such as page numbers, in the notice. In any event, information (data) contained in proposals and quotations will be protected to the extent permitted by law, but NASA assumes no liability for use and disclosure of information not made subject to the notice.

RESTRICTION ON USE AND DISCLOSURE OF PROPOSAL AND QUOTATION INFORMATION (DATA)

The information (data) contained in [insert page numbers or other identification] of this proposal or quotation constitutes a trade secret and/or information that is commercial or financial and confidential or privileged. It is furnished to the Government in confidence with the understanding that it will not, without permission of the offeror, be used or disclosed for other than evaluation purposes; provided, however, that in the event a contract is awarded on the basis of this proposal or quotation the Government shall have the right to use and disclose this information (data) to the extent provided in the contract. This restriction does not limit the Government's right to use or disclose this information (data) if obtained from another source without restriction.

VI. Status of Cost Proposals (U.S. Proposals Only)

The investigator's institution agrees that the cost proposal submitted in response to the Announcement is for proposal evaluation and selection purposes, and that following selection and during negotiations leading to a definitive contract, the institution will be required to resubmit or execute a Standard Form (SF) Form 1411 "Contract Pricing Proposal Cover Sheet" and all certifications and representations required by law and regulation.

VII. Late Proposals

The Government reserves the right to consider proposals or modifications thereof received after the date indicated for such purpose, should such action be in the interest of the Government.

VIII. Source of Space Transportation System Investigations

Investigators are advised that candidate investigations for Space Transportation System (STS) missions can come from many sources. These sources include those selected through the Announcement of Opportunity, those generated by NASA in-house research and development, and those derived from contracts and other agreements between NASA and external entities.

IX. Disclosure of Proposals Outside Government

NASA may find it necessary to obtain proposal evaluation assistance outside the Government. Where NASA determines it is necessary to disclose a proposal outside the Government for evaluation purposes, arrangements will be made with the evaluator for appropriate handling of the proposal information. Therefore, by submitting a proposal the investigator and institution agree that NASA may have the proposal evaluated outside the Government. If the investigator or institution desire to preclude NASA from using an outside evaluation, the investigator or institution should so indicate on the cover. However, notice is given that if NASA is precluded from using outside evaluation, it may be unable to consider the proposal.

X. Equal Opportunity (U.S. Proposals Only)

By submitting a proposal, the investigator and institution agree to accept the the following clause in any resulting contract:

EQUAL OPPORTUNITY

During the performance of this contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

2. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to, (a) employment, (b) upgrading, (c) demotion, (d) transfer, (e) recruitment or recruitment advertising, (f) layoff or termination, (g) rates of pay or other forms of compensation, and (h) selection for training, including apprenticeship.

3. The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

4. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

5. The Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding the notice to be provided by the Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

6. The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

7. The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. Standard Form 100 (EEO-1), or any successor form, is the prescribed form to be filed within 30 days following the award, unless filed within 12 months preceding the date of award.

8. The Contractor shall permit access to its books, records, and accounts by the contracting agency or the Office of Federal Contract Compliance Programs (OFCCP) for the purposes of investigation to ascertain the Contractor's compliance with the applicable rules, regulations, and orders.

9. If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, the contract

may be cancelled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended, the rules, regulations, and orders of the Secretary of Labor, or as otherwise provided by law.

10. The Contractor shall include the terms and conditions of subparagraph 1 through 9 of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

11. The Contractor shall take such action with respect to any subcontract or purchase order as the contracting agency may direct as means of enforcing these terms and conditions, including sanctions for non-compliance; provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

XI. Patent Rights

1. For any contract resulting from this solicitation awarded to other than a small business firm or nonprofit organization, the clause at NFS 18-52.227-70, "New Technology," shall apply. Such contractors may, in advance of contract, request waiver of rights as set forth in the provision at NFS 18-52.227-71, "Requests for Waiver of Rights to Inventions."

2. For any contract resulting from this solicitation awarded to a small business firm or nonprofit organization, the clause at FAR 52.227-11, "Patent Rights--Retention by the Contractor (Short Form)" (as modified by NFS 18-52.227-11), and the clause at NFS 18-52.227-73, "Patent Rights Clause for Subcontracts," shall apply.

APPENDIX C: GUIDELINES FOR PROPOSAL PREPARATION

The following guidelines apply to the preparation of proposals by potential investigators in response to an Announcement of Opportunity. The material presented is merely a guide for the prospective proposer and not intended to be all encompassing or directly applicable to the various types of proposals which can be submitted. The proposer should, however, provide information relative to those items applicable or as otherwise required by the Announcement of Opportunity.

I. Cover Letter

A letter or cover page should be forwarded with the proposal. It should be signed by the investigator and an official by title of the investigator's organization who is authorized to commit the organization that is responsible for the proposal and its contents.

II. Table of Contents

The proposal should contain a table of contents.

III. Identifying Information

The proposal should contain a short descriptive title for the investigation, the names of all investigators, the name of the organization or institution and the full name, address, and telephone number of the Principal Investigator.

SECTION I

INVESTIGATION AND TECHNICAL PLAN

1. INVESTIGATION AND TECHNICAL PLAN

The investigation and technical plan generally will contain the following:

a. **Summary.** A simple, concise statement about the investigation, its conduct, and the anticipated results.

b. **Objective and Significant Aspects.** A brief definition of the objectives, their value, and their relationships to past, current, and future effort. The history and basis for the proposal and a demonstration of the need for such an investigation. A statement of present development in the discipline field.

c. **Investigation Approach**

(1) Fully describe the concept of the investigation.

(2) Detail the method and procedures for carrying out the investigation.

2. INSTRUMENTATION

This section should describe all information necessary to plan for experiment development, integration, ground operations, and flight operations. This section must be complete in itself without need to request additional data. Failure to furnish complete data may preclude evaluation of the proposal.

a. **Instrument Description**--This section should fully describe the instrumentation and indicate items which are proposed to be developed as well as any existing instrumentation. Performance characteristics should be related to the experiment objectives as stated in the proposal.

b. **Instrument Integration**--This section should describe all parameters of the instrument pertinent to the accommodation of the instrument in the spacecraft, Spacelab, Shuttle Orbiter, Space Station, etc. These include, but are not limited to volumetric envelope; weight; power requirements; thermal requirements; telemetry requirement; sensitivity to or generation of contamination (e.g., EMI gaseous effluents); data processing requirements.

c. **Ground Operations**--This section should identify requirements for pre-launch or post-launch ground operations support.

d. **Flight Operations**--This section should identify any requirements for flight operations support including mission planning. Operational constraints, viewing requirements, and pointing requirements should also be identified. Details of communications needs, tracking needs, and special techniques, such as extravehicular activity or restrictions in the use of control thrusters at stated times should be delineated. Special communications facilities that are needed must be described. Any special orbital requirements, such as time of month, of day, phase of moon, and lighting conditions are to be given in detail. Describe real-time ground support requirements and indicate any special equipment or skills required of ground personnel.

3. DATA REDUCTION AND ANALYSIS

A discussion of the data reduction and analysis plan including the method and format. A section of the plan should include a schedule for the submission of reduced data to the receiving point. In the case of Space Science programs, the National Space Science Data Center, Greenbelt, MD, will be the repository for such data and the Department of Interior, Sioux Falls, SD, for earth observations data.

4. ORBITER CREW AND/OR PAYLOAD SPECIALIST TRAINING REQUIREMENT

A description of the tasks required of each crew member (Commander, Pilot, Mission Specialist) or payload specialist should be provided, including the task duration and equipment involved. Indicate special training necessary to provide the crew members or payload specialist(s) with the capability for performing the aforementioned tasks.

SECTION II

MANAGEMENT PLAN AND COST PLAN

A. MANAGEMENT PLAN

The management plan should summarize the management approach and the facilities and equipment required. Additional guidelines applicable to non-U.S. proposers are contained herein:

1. MANAGEMENT

a. The management plan sets forth the investigator's approach for managing the work, the recognition of essential management functions, and the overall integration of these functions.

b. The management plan gives insight into the organization proposed for the work, including the internal operations and lines of authority with delegations, together with internal interfaces and relationships with the NASA major subcontractors and associated investigators. Likewise, the management plan usually reflects various schedules necessary for the logical and timely pursuit of the work accompanied by a description of the investigator's work plan and the responsibilities of the co-investigators.

c. The plan should describe the proposed method of instrument acquisition. Specifically, it should include the following, as applicable.

(1) Rationale for the investigator to obtain the instrument through or by the investigator's institution.

(2) Method and basis for the selection of the proposed instrument fabricator.

(3) Unique or proprietary capabilities of the instrument fabricator that are not available from any other source.

(4) Contributions or characteristics of the proposed fabricator's instrument that make it an inseparable part of the investigation.

(5) Availability of supporting personnel in the institution to successfully administer the instrument contract and technically monitor the fabrication.

(6) Status of development of the instrument. What additional development is needed. Areas that need further design or in which unknowns are present.

(7) Method by which the investigator proposes to:

(a) Prepare instrument specifications.

(b) Review development progress.

(c) Review design and fabrication changes.

(d) Participate in testing program.

(e) Participate in final checkout and calibration.

(f) Provide for integration of instrument.

(g) Support the flight operations.

(h) Coordinate with co-investigators, other related investigations, and the payload integrator.

(i) Assure safety, reliability, and quality.

(j) Provide required support for Payload Specialist(s), if applicable.

(8) Planned participation by small and/or minority business in any subcontracting for instrument fabrication or investigative support functions.

2. FACILITIES AND EQUIPMENT

All major facilities, laboratory equipment, and ground-support equipment (GSE) (including those of the investigator's proposed contractors and those of NASA and other U.S. Government agencies) essential to the experiment in terms of its system and subsystems are to be indicated, distinguishing insofar as possible between those already in existence and those that will be developed in order to execute the investigation. The outline of new facilities and equipment should also indicate the lead time involved and the planned schedule for construction, modification, and/or acquisition of the facilities.

3. ADDITIONAL GUIDELINES APPLICABLE TO NON-U.S PROPOSERS ONLY

The following guidelines are established for foreign responses to NASA's Announcement of Opportunity. Unless otherwise indicated in a specific announcement, these guidelines indicate the appropriate measures to be taken by foreign proposers, prospective foreign sponsoring agencies, and NASA leading to the selection of a proposal and execution of appropriate arrangements. They include the following:

a. Where a "Notice of Intent" to propose is requested, prospective foreign proposers should write directly to the NASA official designated in the Announcement of Opportunity and send a copy of this letter to the International Relations Division, Office of External Relations, Code XID, NASA, Washington, DC 20546, U.S.A.

b. Unless otherwise indicated in the Announcement of Opportunity, proposals will be submitted in accordance with this Appendix excluding cost plans. Proposals should be typewritten and written in English.

c. Persons planning to submit a proposal should arrange with an appropriate foreign governmental agency for a review and endorsement of the proposed activity. Such endorsement by a foreign organization indicates:

(1) The proposal merits careful consideration by NASA.

(2) If the proposal is selected, sufficient funds will be available to undertake the activity envisioned.

d. Proposals along with the requested number of copies and letters of endorsement from the foreign governmental agency must be forwarded to NASA in time to arrive before the deadline established for each Announcement of Opportunity. These documents should be sent to:

National Aeronautics and Space Administration
International Relations Division
Code XID
Office of External Relations
Washington, DC 20546
U.S.A.

e. All proposals must be received before the established closing date; those received after the closing date will be treated in accordance with NASA's provisions for late proposals. Sponsoring foreign government agencies may, in exceptional situations, forward a proposal directly to the above address if review and endorsement is not possible before the announced closing date. In such cases, NASA should be advised when a decision on endorsement can be expected.

f. Shortly after the deadline for each Announcement of Opportunity, NASA's International Relations Division will advise the appropriate sponsoring agency which proposals have been received and when the selection process should be completed. A copy of this acknowledgement will be provided to each proposer.

g. Successful and unsuccessful proposers will be contacted directly by the NASA Program Office coordinating the Announcement of Opportunity. Copies of these letters will be sent to the sponsoring Government agency.

h. NASA's International Relations Division will then begin making the necessary arrangements to provide for the selectee's participation in the appropriate NASA program. Depending on the nature and extent of the proposed cooperation, these arrangements may entail:

(1) A letter of notification by NASA.

(2) An exchange of letters between NASA and the sponsoring foreign governmental agency.

(3) An agreement or Memorandum of Understanding between NASA and the sponsoring foreign governmental agency.

B. COST PLAN
(U.S. Investigations Only)

The cost plan should summarize the total investigation cost by major categories of cost as well as by function.

1. The categories of cost should include the following:

a. **Direct Labor**--List by labor category, with labor hours and rates for each. Provide actual salaries of all personnel and the percentage of time each individual will devote to the effort.

b. **Overhead**--Include indirect costs, which because of its incurrence for common or joint objectives, is not readily subject to treatment as a direct cost. Usually this is in the form of a percentage of the direct labor costs.

c. **Materials**--This should give the total cost of the bill of materials including estimated cost of each major item. Include lead time of critical items.

d. **Subcontracts**--List those over $25,000, specify the vendor and the basis for estimated costs. Include any baseline or supporting studies.

e. **Special Equipment**--Include a list of special equipment with lead and/or development time.

f. **Travel**--List estimated number of trips, destinations, duration, purpose, number of travelers, and anticipated dates.

g. **Other Costs**--Costs not covered elsewhere.

h. **General and Administrative Expense**--This includes the expenses of the institution's general and executive offices and other miscellaneous expenses related to the overall business.

i. **Fee** (if applicable).

2. Separate schedules, in the above format, should be attached to show total cost allocable to the following:

a. Principal Investigator and other Investigators' costs.

b. Instrument costs.

c. Integration costs.

d. Data reduction and analysis including the amount and cost of computer time.

3. If the effort is sufficiently known and defined, a funding obligation plan should provide the proposed funding requirements of the investigations by quarter and/or annum keyed to the work schedule.

APPENDIX D: GLOSSARY OF TERMS AND ABBREVIATIONS ASSOCIATED WITH INVESTIGATIONS

Advisory Committee Subcommittee--Any committee, board, commission, council, conference, panel, task force; or other similar group, or any subcommittee or other subgroup thereof, that is not wholly composed of full-time Federal Government employees, and that is established or utilized by NASA in the interest of obtaining advice or recommendations.

Announcement of Opportunity (AO)--A document used to announce opportunities to participate in NASA programs. Announcements are published in accordance with this Handbook.

AO Process--A term used to describe the program planning and procurement procedure used to acquire investigative effort, initiated by an AO.

Categorization--The process whereby proposed investigations are classified into four categories: synopsized here as Category I--recommended for immediate acceptance; Category II--recommended for acceptance but at a lower priority than Category I proposals; Category III--sound investigations requiring further development; Category IV--rejected.

Co-Investigator (Co-I)--Associate of a Principal Investigator, responsible to the Principal Investigator for discrete portions or tasks of the investigation. A NASA employee can participate as a Co-I on an investigation proposed by a private organization.

Data Users--Participants in NASA programs, selected to perform investigations utilizing data from NASA payloads or facilities.

Experiments--Activities or effort aimed at the generation of data. NASA-sponsored experiments generally concern generation of data obtained through measurement of aeronautical and space phenomena or use of space to observe earth phenomena.

Federal Acquisition Regulation (FAR)--The regulations governing the conduct of procurement.

Flight--That portion of the mission encompassing the period from launch to landing or launch to termination of the active life of spacecraft. The term shuttle "flight" means a single shuttle round trip--its launch, orbital activity, and return; one flight might deliver more than one payload. More than one flight might be required to accomplish one mission.

Flight Investigation--Investigation conducted utilizing aeronautical or space instrumentation.

Flight Opportunity--A flight mission designed to accommodate one or more experiments or investigations.

Guest Investigators--Investigators selected to conduct observations and obtain data within the capability of a NASA mission, which are additional to the mission's primary objectives. Sometimes referred to as Guest Observers.

Investigation--Used interchangeably with "Experiments."

Investigation Team--A group of investigators collaborating on a single investigation.

Investigator--A participant in an investigation. May refer to the Principal Investigator, Co-Investigator, or member of an investigation team.

Mission--The performance of a coherent set of investigations or operations in space to achieve program goals. (Example: Measure detailed structure of Sun's chromosphere; survey mineral resources of North America.)

NASA FAR Supplement (NFS)--Procurement regulations promulgated by NASA in addition to the FAR.

NHB--NASA Handbook.

NMI--NASA Management Instruction.

Notice of Intent--A notice or letter submitted by a potential investigator indicating the intent to submit a proposal in response to an AO.

Payload--A specific complement of instruments, space equipment, and support hardware carried to space to accomplish a mission or discrete activity in space.

Peer Group--A gathering of experts in related disciplinary areas convened as a subcommittee of the Program Office Steering Committee to review proposals for flight investigations.

Peer Review--The process of proposal review utilizing a group of peers in accordance with the categorization criteria as outlined in this Handbook.

Principal Investigator (PI)--A person who conceives an investigation and is responsible for carrying it out and reporting its results. A NASA employee can participate as a PI only on a government-proposed investigation.

Program--An activity involving human resources, materials, funding, and scheduling necessary to achieve desired goals.

Project--Within a program, an undertaking with a scheduled beginning and ending, which normally involves the design, construction, and operation of one or more aeronautical or space vehicles and necessary ground support in order to accomplish a scientific or technical objective.

Project Office--An office generally established at a NASA field installation to manage a project.

Selection Official--The NASA official designated to determine the source for award of a contract or grant.

Space Facility--An instrument or series of instruments in space provided by NASA to satisfy a general objective or need.

Steering Committee--A standing NASA sponsored committee providing advice to the Program Associate Administrators and providing procedural review over the investigation selection process. Composed wholly of full-time Federal Government employees.

Study Office--An office established at a NASA field installation to manage a potential undertaking which has not yet developed into project status.

Subcommittee--An arm of the Program Office Steering Committee consisting of experts in relevant disciplines to review and categorize proposals for investigations submitted in response to an AO.

Supporting Research and Technology (SR&T)--The programs devoted to the conduct of research and development necessary to support and sustain NASA programs.

Team--A group of investigators responsible for carrying out and reporting the results of an investigation or group of investigations.

Team Leader--The person appointed to manage and be the point of contact for the team and who is responsible for assigning respective roles and privileges to the team members and reporting the results of the investigation.

Team Member--A person appointed to a team who is an associate of the other members of the team and is responsible to the team leader for assigned tasks or portions of the investigation.

SUBPART 18-70.2 NASA RESEARCH ANNOUNCEMENT SYSTEM

18-70.201 Purpose.

It is NASA policy to encourage submission of research proposals relevant to agency requirements. The NASA Research Announcement (NRA) System is one means of implementing the policy by permitting the solicitation and competitive selection of research projects in accordance with statute while at the same time preserving the traditional concepts and understandings associated with NASA sponsorship of research.

18-70.202 System Content.

(a) The regulations governing the NRA System (see 18-35.016-70) set forth the requirements for preparing, issuing, and processing NRAs.

(b) The system contains specific instructions for proposers. These instructions shall be included in the NRA, a form of broad agency announcement authorized at 18-35.016.

18-70.203 Instructions for Responding to NRAs.

(a) The "Instructions for Responding to NASA Research Announcements for Solicited Research Proposals" document (prescribed in 18-35.016-70(c)(4)) is set forth as Appendix I to this section 18-70.203.

(b) This Appendix may be reproduced locally as part of the NRA provided the following conditions are met:

(1) For each NRA the issuing office shall verify that the most recent version of Appendix I, as contained in the NFS, is used.

(2) The current text shall be reproduced verbatim; however, the issuing office may remove the NFS page headers and add the NRA number in order to identify the NRA to which the Appendix is attached. Any other change shall be treated as a deviation in accordance with 18-1.400.

APPENDIX I TO 18-70.203: INSTRUCTIONS FOR RESPONDING TO NASA RESEARCH ANNOUNCEMENTS FOR SOLICITED RESEARCH PROPOSALS

INSTRUCTIONS FOR RESPONDING TO NASA RESEARCH ANNOUNCEMENTS FOR SOLICITED RESEARCH PROPOSALS

(AUGUST 1988)

1. FOREWORD

a. NASA depends upon industry, educational institutions and other nonprofit organizations for most of its research efforts. While a number of mechanisms have been developed over the years to inform the research community of those areas in which NASA has special research interests, these instructions apply only to "NASA Research Announcements," a form of "broad agency announcement" described in 6.102(d)(2) and 35.016 of the Federal Acquisition Regulation (FAR). The "NASA Research Announcement (NRA)" permits competitive selection of research projects in accordance with statute while at the same time preserving the traditional concepts and understandings associated with NASA sponsorship of research.

b. These instructions are Appendix I to 18-70.203 of the NASA Federal Acquisition Regulation Supplement.

2. POLICY

a. NASA fosters and encourages the submission of research proposals relevant to agency mission requirements by solicitations, "NASA Research Announcements," which describe research areas of interest to NASA. Proposals received in response to an NRA will be used only for evaluation purposes.

b. NASA does not allow a proposal, the contents of which are not available without restriction from another source, or any unique ideas submitted in response to an NRA to be used as the basis of a solicitation or in negotiation with other organizations, nor is a pre-award synopsis published for individual proposals.

c. A solicited proposal that results in a NASA award becomes part of the record of that transaction and may be available to the public on specific request; however, information or material that NASA and the awardee mutually agree to be of a privileged nature will be held in confidence to the extent permitted by law, including the Freedom of Information Act.

3. PURPOSE

These instructions are intended to supplement documents identified as "NASA Research Announcements." The NRAs contain programmatic information and certain "NRA-specific" requirements which apply only to proposals prepared in response to that particular announcement. These instructions contain the general proposal preparation information which applies to responses to all NRAs.

4. RELATIONSHIP TO AWARD

a. A contract, grant, cooperative agreement, or other agreement may be used to accomplish an effort funded on the basis of a proposal submitted in response to an NRA. NASA does not have separate "grant proposal" and "contract proposal" categories, so all proposals may be prepared in a similar fashion. NASA will determine the appropriate instrument.

b. Grants are generally used to fund basic research in educational and nonprofit institutions, while research in other private sector organizations is accomplished under contract. Additional information peculiar to the contractual process (certifications, cost and pricing data, facilities information, etc.) will be requested, as necessary, as the procurement progresses. Contracts resulting from NRAs are subject to the Federal Acquisition Regulation and the NASA FAR Supplement (NHB 5100.4). Any resultant grants or cooperative agreements will be awarded and administered in accordance with the NASA Grant and Cooperative Agreement Handbook (NHB 5800.1).

5. CONFORMANCE TO GUIDANCE

a. NASA does not have any mandatory forms or formats for preparation of responses to NRAs; however, it is requested that proposals conform to the procedural and submission guidelines covered in these instructions. In particular, NASA may accept proposals without discussion; hence, proposals should initially be as complete as possible and be submitted on the proposers' most favorable terms.

b. In order to be considered responsive to the solicitation, a submission must, at a minimum, present a specific project within the areas delineated by the NRA; contain sufficient technical and cost information to permit a meaningful evaluation; be signed by an official authorized to legally bind the submitting organization; not merely offer to perform standard services or to just provide computer facilities or services; and not significantly duplicate a more specific current or pending NASA solicitation. NASA reserves the right to reject any or all proposals received in response to an NRA when such action is considered in the best interest of the Government.

6. NRA-SPECIFIC ITEMS

a. Several proposal submission items will appear in the NRA itself. These include: the unique NRA identifier; when to submit proposals; where to send proposals; number of copies required; and sources for more information.

b. Items included in these instructions may be supplemented by the NRA, as circumstances warrant. Examples are: technical points for special emphasis; additional evaluation factors; and proposal length.

7. PROPOSAL CONTENTS

a. The following general information is needed in all proposals in order to permit consideration in an objective manner. NRAs will generally specify topics for which additional information or greater detail is desirable. Each proposal copy shall contain all submitted material, including a copy of the transmittal letter if it contains substantive information.

b. **Transmittal Letter or Prefatory Material**

(1) The legal name and address of the organization and specific division or campus identification if part of a larger organization;

(2) A brief, scientifically valid project title intelligible to a scientifically literate reader and suitable for use in the public press;

(3) Type of organization: e.g., profit, nonprofit, educational, small business, minority, women-owned, etc.;

(4) Name and telephone number of the principal investigator and business personnel who may be contacted during evaluation or negotiation;

(5) Identification of any other organizations that are currently evaluating a proposal for the same efforts;

(6) Identification of the specific NRA, by number and title, to which the proposal is responding;

(7) Dollar amount requested of NASA, desired starting date, and duration of project;

(8) Date of submission; and

(9) Signature of a responsible official or authorized representative of the organization, or any other person authorized to legally bind the organization (unless the signature appears on the proposal itself).

c. Restriction on Use and Disclosure of Proposal Information

It is NASA policy to use information contained in proposals for evaluation purposes only. While this policy does not require that the proposal bear a restrictive notice, offerors or quoters should, in order to maximize protection of trade secrets or other information that is commercial or financial and confidential or privileged, place the following notice on the title page of the proposal and specify the information subject to the notice by inserting appropriate identification, such as page numbers, in the notice. In any event, information (data) contained in proposals will be protected to the extent permitted by law, but NASA assumes no liability for use and disclosure of information not made subject to the notice.

NOTICE

Restriction on Use and Disclosure of Proposal Information

The information (data) contained in [insert page numbers or other identification] of this proposal constitutes a trade secret and/or information that is commercial or financial and confidential or privileged. It is furnished to the Government in confidence with the understanding that it will not, without permission of the offeror, be used or disclosed other than for evaluation purposes; provided, however, that in the event a contract (or other agreement) is awarded on the basis of this proposal the Government shall have the right to use and disclose this information (data) to the extent provided in the contract (or other agreement). This restriction does not limit the Government's right to use or disclose this information (data) if obtained from another source without restriction.

d. Abstract

Include a concise (200-300 word if not otherwise specified in the NRA) abstract describing the objective of the proposed effort and the method of approach.

e. Project Description

(1) The main body of the proposal shall be a detailed statement of the work to be undertaken and should include objectives and expected significance; relation to the present state of knowledge in the field; and relation to previous work done on the project and to related work in progress elsewhere. The statement should outline the general plan of work, including the broad design of experiments to be undertaken and an adequate description of experimental methods and procedures. The project description should be prepared in a manner that addresses the evaluation factors in these instructions and any additional specific factors in the NRA. Any substantial collaboration with individuals not referred to in the budget or use of consultants should be described. Note, however, that

subcontracting significant portions of a research project is discouraged.

(2) When it is expected that the effort will require more than one year for completion, the proposal should cover the complete project to the extent that it can be reasonably anticipated. Principal emphasis should, of course, be on the first year of work, and the description should distinguish clearly between the first year's work and work planned for subsequent years.

f. Management Approach

For large or complex efforts involving interactions among numerous individuals or other organizations, plans for distribution of responsibilities and any necessary arrangements for ensuring a coordinated effort should be described. Aspects of any required intensive working relations with NASA field centers that are not logical inclusions elsewhere in the proposal should be described in this section.

g. Personnel

The principal investigator is responsible for direct supervision of the work and participates in the conduct of the research regardless of whether or not compensation is received under the award. A short biographical sketch of the principal investigator, a list of principal publications and any exceptional qualifications should be included. Omit social security number and other personal items which do not merit consideration in evaluation of the proposal. Give similar biographical information on other senior professional personnel who will be directly associated with the project. Give the names and titles of any other scientists and technical personnel associated substantially with the project in an advisory capacity. Universities should list the approximate number of students or other assistants, together with information as to their level of academic attainment. Any special industry-university cooperative arrangements should be described.

h. Facilities and Equipment

(1) Describe available facilities and major items of equipment especially adapted or suited to the proposed project, and any additional major equipment that will be required. Identify any Government-owned facilities, industrial plant equipment, or special tooling that are proposed for use on the project.

(2) Before requesting a major item of capital equipment, the proposer should determine if sharing or loan of equipment already within the organization is a feasible alternative to purchase. Where such arrangements cannot be made, the proposal should so state. The need for items that typically can be used for both research and non-research purposes should be explained.

i. Proposed Costs

(1) Proposals should contain cost and technical parts in one volume: do not use separate "confidential" salary pages. As applicable, include separate cost estimates for salaries and wages; fringe benefits; equipment; expendable materials and supplies; services; domestic and foreign travel; ADP expenses; publication or page charges; consultants; subcontracts; other miscellaneous identifiable direct costs; and indirect costs. List salaries and wages in appropriate organizational categories (e.g., principal investigator, other scientific and engineering professionals, graduate students, research assistants, and technicians and other non-professional personnel).

Estimate all manpower data in terms of man-months or fractions of full-time.

(2) Explanatory notes should accompany the cost proposal to provide identification and estimated cost of major capital equipment items to be acquired; purpose and estimated number and lengths of trips planned; basis for indirect cost computation (including date of most recent negotiation and cognizant agency); and clarification of other items in the cost proposal that are not self-evident. List estimated expenses as yearly requirements by major work phases. (Standard Form 1411 may be used).

(3) Allowable costs are governed by FAR Part 31 and the NASA FAR Supplement Part 18-31 (and OMB Circulars A-21 for educational institutions and A-122 for nonprofit organizations).

j. **Security**

Proposals should not contain security classified material. However, if the proposed research requires access to or may generate security classified information, the submitter will be required to comply with applicable Government security regulations.

k. **Current Support**

For other current projects being conducted by the principal investigator, provide title of project, sponsoring agency, and ending date.

l. **Special Matters**

(1) Include any required statements of environmental impact of the research, human subject or animal care provisions, conflict of interest, or on such other topics as may be required by the nature of the effort and current statutes, executive orders, or other current Government-wide guidelines.

(2) Proposers should include a brief description of the organization, its facilities, and previous work experience in the field of the proposal. Identify the cognizant Government audit agency, inspection agency, and administrative contracting officer, when applicable.

8. RENEWAL PROPOSALS

a. Renewal proposals for existing awards will be considered in the same manner as proposals for new endeavors. It is not necessary that a renewal proposal repeat all of the information that was in the original proposal upon which the current support was based. The renewal proposal should refer to its predecessor, update the parts that are no longer current, and indicate what elements of the research are expected to be covered during the period for which extended support is desired. A description of any significant findings since the most recent progress report should be included. The renewal proposal should treat, in reasonable detail, the plans for the next period, contain a cost estimate, and otherwise adhere to these instructions.

b. NASA reserves the right to renew an effort either through amendment of an existing contract or by a new award.

9. LENGTH

Unless otherwise specified in the NRA, every effort should be made to keep proposals as brief as possible, concentrating on substantive material essential for a complete understanding of the project. Experience shows that few proposals need exceed 15-20 pages. Any necessary detailed information, such as reprints, should be included as attachments rather than in the main body of the proposal. A complete set of attachments is necessary for each copy of the proposal. As proposals are not returned, avoid use of "one-of-a-kind" attachments: their availability may be mentioned in the proposal.

10. JOINT PROPOSALS

a. Some projects involve joint efforts among individuals in different organizations or mutual efforts of more than one organization. Where multiple organizations are involved, the proposal may be submitted by only one of them. In this event, it should clearly describe the role to be played by the other organizations and indicate the legal and managerial arrangements contemplated. In other instances, simultaneous submission of related proposals from each organization might be appropriate, in which case parallel awards would be made.

b. Where a project of a cooperative nature with NASA is contemplated, the proposal should describe the contributions expected from any participating NASA investigator and agency facilities or equipment which may be required. However, the proposal must be confined only to that which the proposing organization can commit itself. "Joint" proposals which purport to specify the internal arrangements NASA will actually make are not acceptable as a means of establishing an agency commitment.

11. LATE PROPOSALS

A proposal or modification thereto received after the date or dates specified in an NRA may still be considered if the selecting official deems it to offer NASA a significant technical advantage or cost reduction.

12. WITHDRAWAL

Proposals may be withdrawn by the proposer at any time. Offerors are requested to notify NASA if the proposal is funded by another organization or of other changed circumstances which dictate termination of evaluation.

13. EVALUATION FACTORS

a. Unless otherwise specified in the NRA, the principal elements (of approximately equal weight) considered in evaluating a proposal are its relevance to NASA's objectives, intrinsic merit, and cost.

b. Evaluation of a proposal's relevance to NASA's objectives includes the consideration of the potential contribution of the effort to NASA's mission.

c. Evaluation of its intrinsic merit includes the consideration of the following factors, none of which is more important than any other:

(1) Overall scientific or technical merit of the proposal or unique and innovative methods, approaches, or concepts demonstrated by the proposal.

(2) The offeror's capabilities, related experience, facilities, techniques, or unique combinations of these which are integral factors for achieving the proposal objectives.

(3) The qualifications, capabilities, and experience of the proposed principal investigator, team leader, or key personnel who are critical in achieving the proposal objectives.

(4) Overall standing among similar proposals available for evaluation and/or evaluation against the known state-of-the-art.

d. Evaluation of the cost of a proposed effort includes the consideration of the realism and reasonableness of the proposed cost and the relationship of the proposed cost to available funds.

14. EVALUATION TECHNIQUES

Selection decisions will be made following peer and/or scientific review of the proposals. Several evaluation techniques are regularly used within NASA. In all cases, however, proposals are subject to scientific review by discipline specialists in the area of the proposal. Some proposals are reviewed entirely in-house where NASA has particular competence; others are evaluated by a combination of in-house people and selected external reviewers, while yet others are subject to the full external peer review technique (with due regard for conflict-of-interest and protection of proposal information), such as by mail or through assembled panels. Regardless of the technique, the final decisions are always made by a designated NASA selecting official. A proposal which is scientifically and programmatically meritorious, but which is not selected for award during its initial review under the NRA may be included in subsequent reviews unless the proposer requests otherwise.

15. SELECTION FOR AWARD

a. When a proposal is not selected for award, and the proposer has indicated that the proposal is not to be held over for subsequent reviews, the proposer will be notified that the proposal was not selected for award. NASA will notify the proposer and explain generally why the proposal was not selected. Proposers desiring additional information may contact the selecting official who will arrange a debriefing.

b. When a proposal is selected for award, negotiation and award will be handled by the procurement office in the funding installation. The proposal is used as the basis for negotiation with the submitter. Formal RFPs are not used to obtain additional information on a proposal selected under the NRA process. However, the contracting officer may request certain business data and may forward a model contract and other information which will be of use during the contract negotiation.

16. CANCELLATION OF NRA

NASA reserves the right to make no awards under this NRA and, in the absence of program funding or for any other reason, to cancel this NRA by having a notice published in the Commerce Business Daily. NASA assumes no liability for cancelling the NRA or for anyone's failure to receive actual notice of cancellation. Cancellation may be followed by issuance and synopsis of a revised NRA, since amendment of an NRA is normally not permitted.

SUBPART 18-70.3

NASA SOURCE EVALUATION

18-70.301 Purpose.

The acquisition of goods and services is among the most important activities that NASA performs and demands the agency's best management efforts. Therefore, the source evaluation and selection procedures must emphasize the application of sound judgment to the problems of source evaluation and assure that Source Evaluation Boards (SEB) conduct their activities impartially and efficiently in ways which will effectively accomplish the source evaluation task.

18-70.302 Regulations.

The basic regulations governing source selection using the SEB process appear at 18-15.613-71. Detailed operating instructions and procedures for the evaluation and negotiation of procurements by Source Evaluation Boards appear at 18-70.303. These instructions provide general and specific policies and procedures for SEB's evaluating offerors' proposals and related capabilities. They are designed for use by procurement personnel and by the wide range of individuals who participate in the SEB process. The instructions will also be of help to the public in understanding NASA's source selection policies and procedures.

18-70.303 Source Evaluation Board Procedures.

(a) SEB procedures are prescribed by Appendix I to this section 18-70.303.

(b) NASA may reprint Appendix I as a separate document, which may be referred to as the NASA Source Evaluation Board Handbook, for sale and/or distribution provided the following conditions are met:

(1) The issuance date ("cover date") of the Handbook shall be the date of the NASA FAR Supplement version from which the text is extracted.

(2) With the exception of availability, distribution and other special prefatory notices, any subsequent modification in the text shall be preceded by a change to the NASA FAR Supplement 18-70.303, Appendix I.

(3) The following notice shall be included in the prefatory material of the Handbook:

IMPORTANT NOTICE

This Handbook is a separately bound, verbatim version of NASA FAR Supplement (NFS) (48 CFR 1870.303) Section 18-70.303, Appendix I. Reference to other parts of the Federal Acquisition Regulation (FAR) and the NFS will be required for complete coverage of all procurement aspects. NASA reserves the right to make changes to NFS 18-70.303, Appendix I, without issuing a new edition of this Handbook. Any such changes will be published in the Federal Register; however, it is anticipated that such changes will be rare, unless mandated by statute or unusual circumstances. In the event of apparent conflict between this Handbook and the NFS, the NFS shall govern.

APPENDIX I TO 18-70.303
NASA SOURCE EVALUATION BOARD PROCEDURES (HANDBOOK)

NASA SOURCE EVALUATION BOARD HANDBOOK

PREFACE

The acquisition of goods and services is among the most important activities that NASA performs and demands our best management efforts. The acquisition system we use must be such that individuals performing within it are challenged to high standards of performance because they know that their efforts contribute to and form part of the Government's decision-making process.

The source evaluation and selection process covered by this handbook exemplifies our efforts to emphasize the application of sound judgment to the problems of source evaluation. In addition, the handbook emphasizes the responsibility which line and staff management retains to assure that Source Evaluation Boards (SEB's) conduct their activities impartially and efficiently in ways which will effectively accomplish the source evaluation task.

The process provides for an equitable and comprehensive evaluation of offerors' proposals to assist the Source Selection Official (SSO) in selecting the source(s) whose proposal(s) presents the highest probability of quality performance to best meet NASA's requirements at a realistic cost/price. This handbook provides guidance and general and specific policies and procedures for SEB's evaluating offerors' proposals and related capabilities in negotiated procurements. Its intention is to encourage the exercise of sound judgment in the many important aspects of the process. SEB's are expected to apply common sense in determining appropriate variations and adaptations necessary in individual situations, provided that these do not constitute a departure from basic concepts and intent. Substantive deviations may be authorized only by the Assistant Administrator for Procurement.

While this handbook is intended primarily for NASA use, it is also available to the public so that NASA's source selection policies and procedures can be understood by all participants in the process.

The provisions of this handbook are applicable to all elements of NASA and are to be implemented on any Request for Proposal (RFP) subject to evaluation by an SEB and issued on or after October 1, 1988. The source selection policies and procedures set forth in this handbook are to be implemented in accordance with the Federal Acquisition Regulation (FAR) 15.6 and NASA/FAR Supplement (NFS) 18-15.613. However, the procedures in this handbook may be used in any other competitively negotiated procurement where the SSO determines it desirable to do so.

NASA SOURCE EVALUATION BOARD HANDBOOK

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CHAPTER 1: KEY PARTICIPANTS IN THE SOURCE EVALUATION BOARD PROCESS

100 INTRODUCTION

This Chapter describes the role of key participants in the Source Evaluation Board, (SEB) process, including cognizant line and staff management, the Source Evaluation Board and the Source Selection Official.

101 COGNIZANT MANAGEMENT RESPONSIBILITIES

1. The SEB process described in this handbook shall be used for major procurements as defined by NFS 18-15.613-71(a). The process is used to accomplish and document the source evaluation and selection function.

2. Upon request of the cognizant Installation Procurement Officer, as a part of the Master Buy Plan procedure, the Assistant Administrator for Procurement or an appropriate designee may consider streamlining these source selection procedures for a particular procurement. This decision, granting a deviation to the formal SEB process, will be communicated to the cognizant Procurement Officer as a part of the written response to the installation regarding the Master Buy Plan submission. Requests for use of streamlined procedures may also be submitted independent of the Master Buy Plan procedure.

3. When the SEB process is determined to be applicable in accordance with the NFS, the specific SEB procedures detailed in this handbook are employed to--

a. Prepare a solicitation that accurately conveys to offerors the technical, schedule, cost, and other contractual requirements of the procurement;

b. Ensure equitable and comprehensive evaluation of the competitors' proposals;

c. Ensure fairness and freedom from outside influence throughout the process;

d. Ensure selection of the source(s) whose performance can be expected to be most advantageous to the Government with respect to the Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations factors considered; and

e. Protect the business confidential and proprietary information contained in proposals submitted to the Government for evaluation.

4. Appropriate cognizant line and staff management shall--

a. Establish each SEB with fully qualified Government personnel possessing broad experience and the professional skills and knowledge required for proper evaluation and assessment of offerors' proposals;

b. Ensure all personnel assigned to the SEB are unencumbered by other assignments which compete with SEB activities and, further, ensure that personnel assigned to the SEB are officially appointed to the activity for the duration of the SEB;

c. Ensure the SEB is provided all current NASA policies and procedures relevant to SEB operation;

d. Ensure acquisition strategy and planning objectives are achieved as reflected in the acquisition's requirements;

e. Ensure the SEB works in harmony with the needs and objectives of the requiring activity;

f. Concur in the substance and weight of evaluation factors, subfactors, and elements;

g. Ensure the RFP is complete, clear, and consistent with agency objectives and with the needs of the activity requiring the procurement, that the procedures for evaluation and selection are clearly set forth, and that the offeror is not burdened with unnecessary requests for data not pertinent to source selection;

h. Ensure appropriate actions are taken, consistent with the FAR and NFS, to obtain full and open competition in the selection process, or to obtain appropriate approvals for exceptions;

i. Establish an SEB advisory group or individual at the field installation to ensure proper source selection procedures are employed; and

j. Ensure an environment exists in which evaluation and selection activities can be effectively conducted.

5. For purposes of this handbook, in cases where the SSO is at the Headquarters level, "cognizant line and staff management, "as addressed in subparagraph 4, includes--

a. The NASA Acquisition Executive for systems designated as major acquisitions under NMI 7100.14, "Major System Acquisitions";

b. Officials-in-Charge of the cognizant Headquarters Program and Headquarters Offices or their Deputies. (See NMI 1101.2, "NASA Organization and Definition of Terms.");

c. The cognizant Field Installation Director and Deputy/Associate Director;

d. The Field Installation Project Manager;

e. The Assistant Administrator for Procurement;

f. The General Counsel and/or Associate General Counsel (Contracts);

g. The Associate Administrator for Safety, Reliability, Maintainability, and Quality Assurance (SRM&QA);

h. The Field Installation Principal Official-in-Charge of Administration, when such a position exists;

i. The Field Installation Chief Counsel; and

j. The Field Installation Procurement Officer.

6. When the Administrator or an Official-in-Charge of a Headquarters Office is the SSO, selected cognizant line and staff management, including the General Counsel or designee and the Assistant Administrator for Procurement, will advise the SSO in executive session, at the conclusion of the presentation of the SEB report, regarding their views concerning the SEB's findings. Management personnel are encouraged to seek the advice of the General Counsel, the Assistant Administrator for Procurement, and any other responsible Headquarters official regarding any SEB-level procurement problem where their participation would be helpful in the conduct of the SEB process.

102 SOURCE SELECTION OFFICIAL

1. The SSO is the senior agency official responsible on a particular procurement for proper and efficient conduct of the source selection process and for making the final source selection decision. It is the SSO's responsibility to decide which of the proposals submitted in response to the solicitation would prove most advantageous to the Government, all RFP evaluation factors considered. The decision must reflect the SSO's determination of relative quality and suitability of what is proposed by each offeror in light of the Government's stated requirements and the confidence level associated with the offeror's ability to accomplish what is proposed. This includes an assessment of the probable cost of each proposal in the competitive range. Trade-off judgments may be required among the evaluation factors (Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations). For procurements designated as Headquarters selections, the SSO will be identified as a part of the Master Buy Plan process. For field installation selections, the Field Installation Director will serve as the SSO.

2. The SSO will--

a. Approve the substance and weight of evaluation factors, subfactors, and elements prior to release of the RFP, or delegate this responsibility to appropriate management personnel;

b. Appoint the SEB Chairperson and members, both voting and nonvoting, except when the Administrator will serve as the SSO, in which case the Official-in-Charge of the cognizant Headquarters Program Office will appoint the SEB Chairperson and members;

c. Provide the SEB with appropriate guidance and special instructions to conduct the evaluation and selection procedures; and

d. Make the final selection decision. Selection for final negotiations will be based on an integrated assessment of each offeror's proposal, taking into consideration the SEB's report and advice from senior officials.

103 SOURCE EVALUATION BOARD

1. The solicitation, receipt, and evaluation of proposals will be implemented by the SEB in accordance with the procedures outlined in this handbook. It is paramount that the SEB's evaluation not be influenced by persons outside the SEB process, whether or not such persons are NASA employees. The SEB is established with special status and shall be staffed with competent people fully qualified to identify the strengths, weaknesses, and risks associated with proposals submitted in response to the Government solicitation. The SEB assists the SSO in decision making by providing expert analyses of the offerors' proposals in relation to the evaluation factors, subfactors, and elements contained in the solicitation.

2. In particular, the SEB shall--

a. Conduct an in-depth review and evaluation of each proposal against the solicitation requirements and the approved evaluation factors, subfactors, and elements;

b. Provide an integrated assessment of each offeror's probable performance relative to the evaluation factors, subfactors, and elements contained in the solicitation related to Mission Suitability;

c. Perform cost analysis by reviewing and analyzing each offeror's proposed costs by individual cost element to determine the validity and reasonableness of the proposed costs. Perform price analysis by comparing each offeror's proposed price (when it is feasible to do so) against the independent Government cost estimate and/or prior experience and knowledge regarding similar efforts to assist in determination of a fair and reasonable price. Develop a probable cost for each proposal within the competitive range;

d. Evaluate the relevant experience and past performance of each offeror, including the relevant experience and past performance of proposed subcontractors intended to perform a major role in accomplishment of procurement objectives or to participate in a substantive manner;

e. Evaluate proposals under the Other Considerations factor included in the RFP and present the analysis of that factor as reflected in each offeror's proposal;

f. Ensure proper SEB procedures are implemented, including those necessary to prevent disclosure of source selection data;

g. Prepare and present the SEB report which accurately and clearly reflects the findings of the SEB.

NOTE: The SEB is not to make recommendations for selection to the SSO. The SEB reports its findings, avoiding trade-off judgments among either the individual offerors or among the Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations evaluation factors.

CHAPTER 2: MEMBERSHIP, ORGANIZATION, AND RESPONSIBILITIES

200 GENERAL

This Chapter sets forth NASA policy on membership, organization, and responsibilities of SEB's.

201 MEMBERSHIP

1. Composition

a. SEB's shall be comprised of qualified management, technical, scientific, contracting, and business experts including, where appropriate, SRM&QA representatives. Each SEB shall have a legal advisor.

b. While in general the SEB Chairperson, SEB members, and committee members are drawn from the cognizant installation, personnel from other NASA installations or other Government agencies may be used when their services are required in a particular area of expertise and would significantly contribute to the evaluation of proposals.

c. It is NASA policy to have proposals evaluated by the most competent technical and management sources available in NASA and the Jet Propulsion Laboratory (JPL). All personnel participating in evaluation proceedings shall be instructed to observe the restrictions in the FAR and NFS regarding personal conflicts of interest and the disclosure of information concerning the evaluation. Non-NASA personnel shall not serve as voting members of a NASA SEB.

d. In evaluating a proposal, the SEB may find that it is necessary to disclose the proposal (in whole or in part) outside the Government to meet its evaluation needs. When it is clearly necessary to disclose the proposal (in whole or in part) outside the Government, arrangements shall be made in accordance with NFS 18-15.413-2.

e. It is desirable that voting members of the SEB include people who will have key assignments on the project to which the procurement is directed. However, it is important that this should be tempered to ensure objectivity and to avoid an improper balance. It may even be appropriate to designate a management official from outside the project as SEB Chairperson.

f. SEB membership normally need not exceed seven voting members, including the Chairperson. If additional support is needed, the use of committees and panels is authorized. The number of such supporting personnel shall be kept as small as the nature of the subject matter permits. Wherever feasible, an assignment to SEB membership as a voting member shall be on a full-time basis. Where this is not feasible, SEB membership and duties are to take precedence over other duties.

g. The number of nonvoting ex officio (advisory) members shall be kept as small as the nature of the procurement allows. Ex officio members should be selected for the experience and expertise they can provide to the SEB. Since their advisory role may require access to highly sensitive SEB material and findings, ex officio membership for persons other than those identified in paragraph 3b should be carefully considered.

2. Designation

a. Designation of the SEB Chairperson and members, both voting and nonvoting, shall be by the SSO except when the Administrator will serve as the SSO, in which case the designation shall be by the Official-in-Charge of the cognizant Headquarters Program Office. The designation letter will be addressed to the cognizant Field Installation Director when the SSO is at the Headquarters level or to the SEB Chairperson when the SSO is the Field Installation Director. The letter shall be prepared in accordance with the sample letter in Appendix A and forwarded for signature to the SSO or the cognizant Official-in-Charge of the Headquarters Program Office early in the procurement cycle, but not later than coordination and approval of the procurement plan. Prior to signature, concurrence by the Headquarters Office of Procurement (Code HS) is required when the SSO is at the Headquarters level or by the cognizant Field Installation Procurement Officer when the SSO is the Field Installation Director.

b. When the Administrator or the Official-in-Charge of the cognizant Headquarters Program Office is the SSO, resumes of voting members shall be provided along with the proposed designation letter. These resumes shall include functional title, grade level and related SEB experience.

3. Voting and nonvoting Members

a. The following people shall be on all SEB's and designated as voting members:

(1) Chairperson.

(2) A senior, key technical representative for the project.

(3) An experienced procurement representative.

(4) A senior SRM&QA representative, as appropriate.

(5) Committee chairpersons (except where this imposes an undue workload).

All voting members of the SEB shall have equal status as rating officials.

b. The following people shall be on all SEB's as nonvoting ex officio members:

(1) Assistant Administrator for Procurement and designee from the Program Operations Division (Code HS) when either an Official-in-Charge of a Headquarters Program Office or the Administrator is the SSO.

(2) General Counsel and/or the Associate General Counsel (Contracts) when either an Official-in-Charge of a Headquarters Program Office or the Administrator is the SSO.

(3) Associate Administrator for Safety, Reliability, Maintainability, and Quality Assurance or designee when either an Official-in-Charge of a Headquarters Program Office or the Administrator is the SSO.

(4) Director of the cognizant Field Installation or designee when either an Official-in-Charge of a Headquarters Program Office or the Administrator is the SSO.

(5) Cognizant Program Director or designee when an Official-in-Charge of a Headquarters Program Office is the SSO.

(6) Official-in-Charge of the cognizant Headquarters Program Office or a designee when the Administrator is the SSO.

(7) Chairpersons of SEB committees when they are non-voting members.

(8) The Procurement Officer of the installation, unless designated a voting member.

(9) The contracting officer responsible for the procurement, unless designated a voting member.

(10) The Chief Counsel and/or designee of the installation.

(11) The SEB recorder.

c. The Assistant Administrator for Procurement, the Code HS Director and cognizant procurement analyst, and the Associate General Counsel (Contracts) have access to all SEB activity by virtue of their positions in the agency.

d. The Associate General Counsel (Contracts) will assign legal advisors to Headquarters SEB's. The installation Chief Counsels will assign legal advisors to SEB's at their installations. The assigned advisor will provide legal advice and counsel on all matters pertaining to the procurement. Upon appointment of the SEB, the Associate General Counsel (Contracts) or designee, or Chief Counsel or designee, as appropriate, will brief SEB personnel on required standards of conduct.

e. Nonvoting ex officio members may state their views and contribute to the discussions in SEB deliberations, but they may not participate in the actual rating process. However, the SEB recorder should be present during rating sessions. The Chairperson is responsible for determining appropriate attendance at SEB meetings and is encouraged to seek the advice and counsel of nonvoting ex officio members whenever necessary without convening a special meeting.

202 ORGANIZATION

The organization of an SEB is tailored to the requirements of the particular procurement. This can range from the simplest situation, where the SEB conducts the evaluation and fact-finding without the use of committees or panels, to a highly complex situation involving a major acquisition where two or more committees are formed and these, in turn, are assisted by special panels in particular areas. Appropriate organization somewhere between these two extremes is generally expected but in all cases the number of committees or panels should be kept to a minimum consistent with the requirements of the procurement.

203 RESPONSIBILITIES

1. The SEB is the central group in the source evaluation process. Its function is to carry out the activities set forth in this handbook, culminating in final evaluation of all proposals and its report to the SSO. The SEB's evaluation is based on all available information, including proposals, committee and panel reports, written and/or oral discussions, personal knowledge of the members in the area of experience and past performance, and other appropriate reference checks. Subject to reviews by the SSO and cognizant management personnel as may be required, the SEB establishes evaluation factors, subfactors, elements and their relative importance; generates qualification standards (where applicable); and reviews and approves the RFP prior to issuance. The SEB reviews offeror satisfaction of applicable qualification standards, if any, and makes an identification of unacceptable proposals. It provides an initial evaluation of acceptable proposals sufficient for determination of the competitive range and participates in written and/or oral discussions held with all offerors in the competitive range. The SEB shall not delegate its evaluation responsibility in whole or in part. Findings of committees or panels must be reviewed by the SEB, with its own

collective judgment being applied in arriving at the SEB evaluation findings reported to the SSO.

2. The SEB Chairperson is the principal operating executive of the SEB. This carries with it a responsibility broader in scope and including more requirements for coordination across more different specialized disciplines and through more diverse management channels than is expected in most management situations. The Chairperson is expected to manage the team efficiently without compromising the validity of the findings provided to the SSO as the basis for a sound selection decision.

3. The SEB Recorder functions as the principal administrative assistant to the SEB Chairperson. The duties and responsibilities of the position are as follows:

a. Attends all SEB meetings and serves as principal assistant to the SEB Chairperson.

b. Obtains secure work areas for conduct of SEB activity and develops and implements procedures for controlling access and safeguarding SEB proceedings and documentation.

c. Obtains materials, supplies, and equipment needed by the SEB.

d. Arranges for preparation, reproduction, control, and distribution of material relating to the activity of the SEB and its committees.

e. Prepares and distributes the agenda for SEB meetings.

f. Obtains and distributes current applicable procedures, policies, and instructions to the SEB and committee members and others involved.

g. Records the substantive issues discussed.

h. Follows up on action items assigned to SEB members to ensure no delays in the SEB schedule will occur.

i. Obtains the SEB Chairperson's approval of SEB minutes. Provides copies to all voting SEB members and/or nonvoting members, as directed by the SEB Chairperson. Retains the original copy of the minutes and incorporates them into an official record book.

j. Assists in preparation and assembly of the SEB's report of findings and presentation charts and arranges for reproduction and distribution.

k. Destroys all duplicate material in excess of the SEB's need or retains material, as defined by the contracting officer, the SEB, and/or the SSO.

l. After formal selection announcement, accumulates, packages, and forwards documentation pertinent to the SEB's work to the cognizant contracting officer for retention throughout the life of the contract.

m. At the conclusion of all SEB activity, surveys the area where SEB activity occurred and arranges for the return of equipment and materials, as appropriate.

4. An SEB Committee functions as a fact-finding arm of the SEB, usually in a broad grouping of related disciplines (e.g., technical or management). It is comprised of people well-versed and experienced in each of the major disciplines under its aegis. For example, a "Management Committee" could include experts in such areas as

organization, pricing, personnel, labor, contracting, and facilities operation. The committee examines in detail each proposal, or portion thereof, assigned by the SEB. It evaluates such proposals or excerpts in accordance with the approved evaluation factors, subfactors, and elements and submits a written report to the SEB summarizing its evaluation. The committee will also respond to requirements assigned by the SEB, including further justification or reconsideration of its findings.

5. Committee chairpersons shall, with respect to their committees, exercise the same responsibility for administrative and procedural matters as does the SEB Chairperson for the SEB.

6. An SEB panel functions as a fact-finding arm of the committee in a specialized area of the committee's responsibilities. Panels are established when a particular area requires deeper analysis than can be provided by individual members of the committee.

7. a. All personnel involved in SEB activities are responsible for complying with the requirements of this handbook and other applicable regulations. Accordingly, they are advised to seek counsel and guidance from appropriate personnel, such as; the SEB Chairperson, the SEB procurement voting member, the contracting officer and/or the SEB legal advisor as well as any cognizant installation SEB advisory group with respect to any questions concerning compliance with these requirements. The Chairperson shall require each SEB, committee, and panel member to be familiar with the provisions of NHB 1900.1, "Standards of Conduct for NASA Employees," regarding conflict of interest and to inform the Chairperson in writing if, in the opinion of the member, their participation presents a real or apparent conflict of interest. In addition, the SEB Chairperson shall ensure that each SEB, committee, and panel member has filed a completed NASA Form 1270, "Confidential Statement of Employment and Financial Interests." Code HS procurement analysts will comply with the necessary disclosure requirements and will sign the necessary certificates on an annual basis to cover all SEB activities that the analyst may participate in throughout the year. Completed NASA Form 1270's from Code HS personnel will be generated and reviewed at the Headquarters level and will remain on file in the Office of General Counsel.

b. Prior to selection and announcement of an offeror for final negotiations, NASA personnel shall not reveal any information concerning the evaluation to anyone not participating in the same evaluation proceedings and then only to the extent such information is required by such proceedings and approved by the SSO or designee.

c. Subsequent to selection and announcement of an offeror for final negotiations, information concerning SEB proceedings and data will be made available to others within NASA only when the requester demonstrates a need to know for a NASA purpose. Information will be made available to persons outside NASA, including other Government agencies, only when such disclosure is concurred in by the Office of General Counsel. Title 18, U.S. Code, Section 1905, prohibits any officer or employee of the United States from disclosing or divulging certain kinds of business confidential and trade secret information unless authorized by law. Possible penalties upon conviction include imprisonment of up to 1 year, a fine of not more than $1,000, and removal from the Federal Service.

CHAPTER 3: EVALUATION FACTORS, SUBFACTORS AND ELEMENTS

300 GENERAL

1. This Chapter describes the factors, subfactors, and elements used in evaluation of proposals and discusses the manner in which the SEB will develop, describe, and structure such factors, subfactors, and elements.

2. The SEB's responsibility is to provide analysis of proposals to aid the SSO in selecting the offeror(s) who best meets the Government's requirements at a reasonable cost.

3. In making a selection, the SSO normally considers four evaluation factors: a. Mission Suitability (which reflects how well the offerors can be expected to perform the work from a technical and management perspective); b. Cost (which reflects what it will probably cost the Government to do business with the offerors); c. Relevant Experience and Past Performance (which reflects the amount and quality of previous work accomplished by the offerors comparable to the work to be performed under the procurement being evaluated); and d. Other Considerations (which are those considerations, stated in the RFP, other than Mission Suitability, Cost, and Relevant Experience and Past Performance that can affect contract performance).

4. Performing the proposed work properly (Mission Suitability) is always important, and so is the probable cost of performing that work. Probable cost is not necessarily the offeror's estimate of costs; rather, it is the SEB's assessment of what the proposed work is likely to cost. Depending on circumstances, relevant experience and past performance or other considerations may or may not be of prime importance.

5. The SEB evaluates proposals with respect to the four evaluation factors, as follows:

a. Mission Suitability. This factor indicates, for each offeror, the merit or excellence of the work to be performed or product to be delivered. It includes, as appropriate, both technical and management subfactors. Because this factor can be highly technical and must be integrated in order to convey an overall evaluation of relative merit, Mission Suitability and its supporting subfactors shall be numerically weighted and scored. Elements may or may not be numerically weighted and scored.

b. Cost. This factor evaluates what each offeror's proposal will probably cost the Government should it be selected for negotiations leading to award. Proposed costs are analyzed to determine the probable "cost of doing business" based upon the offeror's proposed approach. Further, this analysis identifies and assesses the impact of features that cause a proposal to cost more or less than other proposals. (See paragraph 302 for detailed coverage.) Cost is not numerically weighted or scored.

c. Relevant Experience and Past Performance. This factor indicates the relevant quantitative and qualitative aspects of each offeror's record of performing services or delivering products similar in size, content, and complexity to the requirements of the instant procurement. The Relevant Experience and Past Performance factor provides an opportunity to evaluate the quality of goods and services provided by the offeror(s) to the agency and other Government organizations. The agency has acquired a substantial amount of firsthand experience and past performance data over a variety of program and contract efforts. Evaluation of this factor also utilizes relevant experience and past performance data from programs acquired by other Governmental organizations, covering both prime and subcontractor performance. The Relevant Experience and Past Performance factor is not numerically weighted or scored.

d. Other Considerations. This factor includes those considerations other than Mission Suitability, Cost, and Relevant Experience and Past Performance. They include, but are not limited to, such items as: financial condition, labor relations considerations, small and small disadvantaged business considerations, and geographic distribution of subcontracts. Other Considerations is not numerically weighted or scored.

6. Mission Suitability is the only factor which is numerically weighted (normally 1000 points) and scored. Further, each Mission Suitability subfactor is numerically weighted and scored. The sum of the subfactor weights will total the weight of the Mission Suitability factor. A subfactor may, at the discretion of the SEB, be divided into discrete elements which, in total, comprise the subfactor evaluation area. If deemed conducive to the evaluation process, the SEB may weigh and score individual elements of a subfactor. The sum of the weights of the individual elements will equal the weight of the subfactor.

7. The general format for inclusion of the factors, subfactors, and elements in the RFP are:

a. Factor (numerically scored)--Mission Suitability
  Grouping/Category (not numerically scored)--i.e., Technical or Management (optional)
  (1) Subfactor (numerically scored)
  (2) Subfactor (numerically scored)
  (3) Subfactor (numerically scored)
    Element (optional). May or may not be numerically scored.

b. Factor (not numerically scored)--Cost

c. Factor (not numerically scored)--Relevant Experience and Past Performance

d. Factor (not numerically scored)--Other Considerations

301 MISSION SUITABILITY

1. Evaluation subfactors

a. Evaluation subfactors are the weighted areas within the Mission Suitability factor that further identify, for proposal preparation and evaluation purposes, the content of the factor. Examples of Mission Suitability subfactors found by experience to be relevant to many procurements are: Understanding of the Requirement; Management Plan; Key Personnel; Corporate or Company Resources; and Excellence of Proposed Design for hardware procurements. However, citation of these specific subfactors is not intended to be restrictive or all inclusive. The nature and thrust of the requirements and objectives of the procurement may logically call for the use of some subfactors titled and described in a somewhat different manner than those described below:

(1) Understanding of the Requirement. An offeror's proposal

reflects how well the offeror comprehends the work and the data requirements. The offeror's proposal should be examined and analyzed to evaluate the offeror's understanding of the requirements set forth in the RFP. Understanding of the requirement can be evaluated as a separate subfactor or can be evaluated as an element to be considered as a part of the evaluation of each subfactor. Although costs are analyzed separately from Mission Suitability, they may be significant in indicating an offeror's understanding of the resources, human and material, required for performance of the contract. Accordingly, technical personnel assigned to committees or panels, in evaluation of the Mission Suitability factor pursuant to the weighted subfactors and elements, may be given access to the cost proposals or portions of the cost proposals to help determine the offeror's understanding of the requirements of the RFP. Such cost information may also help them to assess the validity of the offeror's approach to performing the work in accordance with the requirements. Cost realism, or the lack thereof, should enter into the SEB's assessment of the measure of understanding possessed by each offeror. Normally this would entail a consideration of cost realism in the evaluation of all subfactors and elements wherein understanding is an essential concept. Similarly, an offeror's justification or rationale for proposed costs can give insight into how well the work to be performed is understood.

(2) Management Plan

(a) The offeror's management plan sets forth the offeror's approach for efficiently managing the work as demonstrated by the proposed organization, the recognition of essential management functions, and the effective overall integration of these functions.

(b) The management plan describes the project organization proposed for the work, including internal operations and lines of authority, together with external interfaces and relationships with the Government, major subcontractors, and associate contractors. When properly prepared, the authority of the project manager, the project manager's relationship to the next echelon of management, and the project manager's command of company resources can be ascertained from the management plan. Likewise, the management plan provides schedules necessary for the logical and timely pursuit of the work, accompanied by a description of the offeror's work plan.

(3) Excellence of Proposed Design. In hardware acquisition, design of the product is generally a major aspect of competition. In order to arrive at an informed judgment, the SSO may require the SEB's evaluation of the merits of competing designs in relationship to the stated requirement. In evaluating the proposed designs, the SEB should consider the resources required to perform the work inherent in the differing designs. Evaluation of design may extend to whatever subsystem level is deemed appropriate by the SEB and may include producibility, reliability, maintainability, and, as applicable, warranties.

(4) Key Personnel

(a) Thorough evaluation of proposed key personnel is usually one of the most vital aspects of SEB activity.

(b) Experience demonstrates that the qualifications and performance of a few people--the top half-dozen or so directly involved managers--are extremely important to successful accomplishment of a contract. For evaluation purposes, the SEB may designate a separate subfactor entitled "Key Personnel." The SEB may define the number and identity of the key personnel for each offeror in the solicitation or may, subject to such limitations as the SEB deems appropriate to assure a reasonable basis for comparison, permit each offeror to define its own key personnel consistent with its proposed organization.

(c) Written resumes should be the baseline from which the evaluation of key personnel begins. Personal reference checks with people knowledgeable of an individual's training, experience, and performance constitute part of this baseline; these should be made at levels commensurate with the role of the individual in the program or project involved. However, the written and/or oral discussions, if conducted, will include all offerors in the competitive range and may be used to establish the relative merits of personnel proposed by each competing firm.

(d) The presentation to the SSO must clearly and concisely set forth the results of the evaluation and discussion, including the strengths and weaknesses of each offeror's key personnel.

(5) Corporate or Company Resources. The SEB should assess the resources proposed by each offeror in the general areas of human resources and facilities. For example, are the proper skill mixes and numbers of people to do the work being offered? Does the offeror propose facilities and, where required, special test equipment suitable and adequate to assure timely performance of the work? If the offeror does not possess adequate resources internally, is there a demonstration of the ability to acquire them through subcontracts or otherwise?

b. Elements that further define the content of each subfactor may be used. If individually numerically scored, these elements must be revealed in the RFP and must be assigned a specific weighting in the SEB's evaluation plan as a portion of the total points allotted. If they are not numerically scored, identification in the RFP is not required.

c. Establishment of evaluation subfactors, elements, and their weights requires judgment on a case-by-case basis. The subfactors and elements established and included in the RFP will then be utilized to determine each offeror's rating in Mission Suitability, including its understanding of the requirements, approach to the work, and the competence of personnel to be directly involved.

d. By carefully considering the requirement(s) to be satisfied through the products or services being procured, the SEB should be able to identify, analyze, and score discrete subfactors and, where appropriate, elements that determine how well the proposed product or service can be expected to meet the demands of the specific requirement(s). If individual subfactors, elements, and their weights are prudently established, the integrated scores of the subfactors and elements will give a representative picture of the merit of each offeror's Mission Suitability.

e. (1) In structuring evaluation subfactors and elements, emphasis should be placed on identification of significant discriminators. Proliferation of subfactors and elements results in a leveling or averaging out of scores over all proposals. Too many subfactors and elements are detrimental to effective evaluation of proposals. Further, clearly defining each evaluation subfactor and element helps to avoid overlap and redundancy. Avoiding such overlap assures an offeror is not scored in two or more areas for the same work.

(2) The following example conveys one approach to describing a subfactor, utilizing elements, in an RFP. Within the "management plan" subfactor the following elements may be determined by the SEB as most suitable to assess how well each offeror's overall management proposal would contribute to the probability of performing the contract in an excellent manner: (a) management approach and organization; (b) staffing plan; and (c) management systems.

f. For each subfactor and element, there should be detailed instructions provided in the RFP's Section L, "Instructions, Conditions, and Notices to Offerors or Quoters," specifying what supporting information should be included in the proposals and the specific format to be used. This increases the probability that SEB evaluators will be provided necessary data in the format easiest to understand and evaluate relative to the subfactors and elements assigned for evaluation and assessment. Thought given to carefully structuring these instructions will generally result in proposals that address what the Government is most interested in relative to the work to be performed. For example, if the evaluation will utilize SEB committees or SEB panels, instructions for proposal preparation in the RFP's Section L that direct offerors to group together information required by such committees or panels will facilitate and accelerate the evaluation process.

g. Where the procurement involves acquisition of a major system under NMI 7100.14, "Major System Acquisitions," and the evaluation is to identify the most promising system design concept(s) to be selected for further exploration, the evaluation should also address the benefits to be derived by tradeoffs, where feasible, among technical performance, acquisition cost, ownership cost, and time to develop and procure.

2. Weighting of factors, subfactors, and elements

a. Numerical weights shall be used for evaluating the Mission Suitability factor for competing offerors.

b. (1) Once the Mission Suitability subfactors are established, the SEB will determine the weight assigned to each. Likewise, if elements are established, the SEB will determine the weight, if any, assigned to each. The proposed subfactors, elements, and weights will be presented to the SSO or designee for approval. The weight assigned to each subfactor and, if numerically scored, each element must reflect its relative importance within the overall Mission Suitability factor. In conjunction, an evaluation plan covering not only Mission Suitability evaluation, but all evaluation factors (Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations), will be established by the SEB (see Chapter 4). Mission Suitability evaluation subfactors, elements, and their weights shall be established and approved in advance of RFP issuance. The four factors and their supporting subfactors and, if numerically scored, elements shall be described in the RFP's Section M, "Evaluation Factors for Award," and the weights associated with the individual Mission Suitability subfactors and elements shall be revealed in Section M as well. However, care should be taken to avoid the impression of a mathematical evaluation devoid of judgment. The weights are intended to be used by the SSO as a guideline.

(2) If all evaluation factors are considered by the SEB to be of approximately equal importance, a statement to that effect shall be included in the RFP. However, if there is a difference in the level of importance among the factors, then a statement shall be included in the RFP to advise the offerors of the relative importance of the factors. In this regard, one example of a statement that might be appropriate, depending on the nature of the requirements, type of contract, and objectives of the acquisition, is as follows:

> "Of the four evaluation factors identified above, Mission Suitability and Cost are most important, and, as related to each other, are approximately equal in importance. The Relevant Experience and Past Performance factor is of somewhat less importance than either Mission Suitability or Cost, and the Other Considerations factor is of considerably less importance than Relevant Experience and Past Performance.
>
> The subfactors to be used in evaluating Mission Suitability and their corresponding weights are listed below in descending order of importance:
>
> Understanding of the Requirement
> (40 percent)
> Excellence of Proposed Design
> (30 percent)
> Management Plan
> (15 percent)
> Key Personnel
> (10 percent)
> Corporate or Company Resources
> (5 percent)
>
> The numerical weights assigned to the five subfactors identified above are indicative of the relative importance of those evaluation areas. The weights will be utilized only as a guide."

302 COST

1. Before issuing a solicitation, the contracting officer and technical personnel shall (when it is feasible to do so) develop a Government cost estimate for the planned acquisition. Estimates can range from simple budgetary estimates to complex estimates based on inspection of the product itself and review of such items as drawings, specifications, and prior data. The SEB is tasked with the responsibility to ensure that the Government cost estimate properly reflects the effort to which the RFP applies.

2. In the Cost factor evaluation, the SEB shall analyze the proposed costs or prices of all offerors. The SEB may use any and all tools available in performing these analyses including information in the Armed Services Pricing Manual (ASPM). However, the required depth of the analysis is subject to the criteria in FAR 15.804. The SEB shall advise the SSO concerning--

a. The costs or prices as proposed by all offerors, including those not within the competitive range;

b. The comparison of costs proposed by all offerors, with the independent Government cost estimate, when feasible;

c. The realism of costs proposed by all offerors determined to be within the competitive range. Cost realism is a review of the proposal to determine if the overall costs proposed are realistic for the work to be performed, if the costs reflect an offeror's understanding of the requirements, and if the costs are consistent with the various elements of the technical proposal. This type of analysis will be used in the Cost area and Mission Suitability or other technical areas;

d. The probable cost to the Government of, at a minimum, each proposal within the competitive range. If it appears to the SEB that any offeror's approach(es) or plan(s) for accomplishing the proposed work will require modification in order to be acceptable to the Government, the SEB shall identify and assess the modification required, determine the probable cost of such modification, and include that probable cost assessment in its report to the SSO;

e. The differences in business methods, operating procedures, and practices as they impact cost; and

f. Its level of confidence in the probable cost assessments as they pertain to each fully evaluated proposal.

3. The probable cost should reflect the SEB's best estimate of the cost of any contract which might result from that offeror's proposal, including any recommended additions or reductions in personnel, equipment, or materials. To the extent that the recommended additions or reductions reflect a lack of understanding of the requirements of the RFP, that lack of understanding should be reflected in the scoring of the Mission Suitability factor, subfactors, and elements.

4. A well-defined statement of work reflecting clear, concise work breakdown structures is of great value in obtaining well-structured proposals and in allowing the SEB to understand and assess proposed costs.

5. All cost categories and amounts present in an offeror's cost proposal (including options) are to be analyzed by the SEB and reported to the SSO. In the event SEB members have different opinions as to the cost analyses and assessments of probable costs, these differing opinions should be reported to the SSO to aid in forming an opinion regarding the confidence to be attributed to the analyses and assessments.

303 RELEVANT EXPERIENCE AND PAST PERFORMANCE

1. This factor has been established to give relevant experience and past performance proper emphasis in the evaluation and selection process. Assessments to be made regarding relevant experience and past performance, particularly past performance, may be extremely difficult. In more straightforward cases, this assessment may be based upon well-documented and highly reliable evidence portraying favorable or unfavorable experience and past performance. More often, these assessments will be made from data presenting a less-than-optimum degree of well-documented evidence of a company's experience and past performance. The problem for the SEB will be establishing

an acceptable degree of confidence that the data sources are providing an impartial, fair, and accurate representation of relevant experience and past performance. The SEB must be extremely careful in making the judgments and conclusions required under this factor but must not hesitate to assess relevant experience and past performance, positively or negatively, when the information received would reasonably support such an assessment.

2. This factor addresses evaluation of overall relevant experience and past performance for the company, not the experience and past performance of individuals involved with contract performance; the latter are to be evaluated under key personnel within the Mission Suitability factor.

3. Relevant experience reflects the accomplishment of work by an offeror that is comparable to or related to the work or effort required under the instant procurement. Programs or projects of comparable magnitude that include technical, cost, schedule, and management constraints similar to those expected to be encountered in the instant procurement are clearly relevant.

4. Past performance is especially important; how well the offeror performed on similar work may be a significant indicator of performance on the job at hand. Many organizations exhibit characteristics that persist over time--for example, the ability to move projects out of the research environment and to translate research findings into practical, results-oriented hardware; difficulty in transitioning conceptual efforts into soundly engineered "hardcopy" plans which can be produced economically; resiliency in the face of trouble; resourcefulness; management determination that the organization live up to its commitments; and skill in development of key people. It is essential to develop such an indicator independent of the offeror's proposal. It is the responsibility of the SEB to collect and document information on the past performance of, at a minimum, all offerors within the competitive range. The SEB should personally contact program or project managers within NASA or other Government agencies in a position to have responsibly observed performance of the offerors as either a prime or major subcontractor and obtain their views concerning the quality of the work the offeror did (or is doing) on comparable jobs. In the event a substantially unfavorable response is received which, in the opinion of the SEB will be of special significance to the SSO, the offeror in question will be provided an opportunity during written and/or oral discussions (see Chapter 4) to clarify that response.

5. The SEB is responsible for collecting and developing relevant experience and past performance information, identifying the source, and presenting it to the SSO. While the clearly relevant experience or past performance is of prime importance, other experience or past performance determined by the SEB to be significant or to be indicative of company experience or past performance should be noted and brought to the attention of the SSO. All pertinent information, including project manager assessments and offeror responses, will be:

(a) made part of the SEB's records,

(b) contained in the SEB report, and

(c) presented to the SSO.

6. The Relevant Experience and Past Performance factor is not numerically scored but is assigned an adjectival rating by the SEB.

7. This factor may be a significant consideration in the selection process. Therefore, the basis of the evaluation must be thoroughly identified and well documented. While objectivity is desirable, reasonable judgments often have to be made in the evaluation process. Subjectivity is not improper; an SEB should not hesitate to make reasonable subjective evaluations of relevant experience and past performance based upon as much factual data and experiential information as can be reasonably accumulated.

304 OTHER CONSIDERATIONS

1. This factor includes all considerations other than Mission Suitability, Cost, and Relevant Experience and Past Performance that the SSO will consider in making a final selection. Only Other Considerations specifically identified in the RFP shall be considered by the SSO in making a decision.

2. Following is a listing of Other Considerations that may be appropriate to include in an RFP. Not all of the subfactors listed are necessarily applicable to all procurements; nor is the listing intended to be all inclusive or restrictive:

a. Financial condition and capability.

b. Corporate priority on the work being proposed, or importance of the business to corporate management.

c. Labor-management relations.

d. Extent of proposed small and small disadvantaged business, and women-owned small business enterprise participation in subcontracting arrangements.

e. Geographic distribution of the work to be performed.

f. Acceptance of contract terms and conditions set forth in the RFP.

g. Any other subfactors pertinent to the particular procurement and identified under the Other Considerations factor within the RFP.

3. Other Considerations shall be defined specifically in the RFP, evaluated by the SEB, and reported to the SSO. Certain subfactors under the Other Considerations factor, such as financial condition and capability, may undergo change up to the moment of source selection.

4. Information regarding some of the Other Considerations is generally available to an SEB in the form of preaward surveys, NASA inspection reports, facility capability reports, purchasing system surveys, audit reports, and equal employment opportunity surveys. The SEB should make every reasonable effort to identify and use timely existing reports before initiating original inquiries. While written reports such as those mentioned in this paragraph may be significant, they should not be exclusively relied upon by the SEB. In addition, personal inquiries should be directed to Government managers likely to be knowledgeable about the offeror's record in these areas.

305 CONTINUING EVALUATIVE RESPONSIBILITY OF SEB

Even after the SEB has made its formal report to the SSO, the SEB shall have continuing responsibility to report to the SSO, until its discharge, any circumstances that would change the SEB's evaluation findings relative to any evaluation factor (Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations) for any offeror. It is not intended that, after its report, the SEB actively pursue continuing evaluation. What is expected is that matters related to any of the evaluation factors which come to the attention of the SEB, and which might be expected to be pertinent to the selection decision, will be communicated to the SSO.

CHAPTER 4: SEB OPERATING PROCEDURES FOR SOLICITATION AND EVALUATION

400 GENERAL

This Chapter describes procedural steps in preparing the SEB for its work and outlines SEB activities for solicitation and evaluation of proposals.

401 INITIAL SEB ACTIVITIES

1. Official SEB activities commence upon receipt by the Chairperson of the letter establishing the SEB and designating its members which should be no later than approval of the procurement plan. However, prior to official establishment of the SEB, the proposed SEB Chairperson and members may hold meetings to accomplish such tasks as SEB member orientation to proposed operational procedures, security measures that will be utilized, and preliminary review of the proposed RFP.

2. Once the SEB is established, the SEB Chairperson shall ensure that--

a. A management and staffing plan is prepared, indicating necessary personnel and other resource requirements, including a time schedule for SEB actions and events leading to presentation of findings to the SSO;

b. Each SEB voting member is furnished appropriate information regarding the nature of the procurement in addition to a copy of their designation letter, approved procurement plan, and the projected time schedule;

c. Each SEB participant, voting and nonvoting, is cautioned concerning restrictions on disclosure of information during the SEB process, avoidance of conflicts of interest, and conformity with the NASA Standards of Conduct. Each SEB participant, voting and nonvoting, shall file a NASA Form 1270, "Confidential Statement of Employment and Financial Interests," in accordance with NHB 1900.1, "Standards of Conduct for NASA Employees." In addition, each SEB participant shall sign an appropriate nondisclosure statement (a sample nondisclosure statement is included in Appendix B). These documents shall be reviewed by the Associate General Counsel for General Law or designee for Headquarters employees or by the cognizant Field Installation Chief Counsel or designee for field installation employees.

d. Letters are issued to all personnel involved in the SEB's activities advising them of pertinent restrictions and prohibitions, including a caution not to discuss any aspect of the procurement with anyone not having a need-to-know. The right to information on a need-to-know basis does not extend to the normal chain of supervision of any member of the SEB or to any individual having technical responsibility for the effort being evaluated except as specifically approved by the SEB Chairperson on a case-by-case basis. Those individuals will also be notified by the SEB Chairperson, in writing, of the privileged character of proposal information;

e. The list of sources to be solicited is developed and approved by the SEB with the assistance of the cognizant procurement and program or project offices;

f. Whenever it is expected to be beneficial, a draft RFP or Statement of Work is issued to prospective offerors for comment;

g. Prior to RFP issuance, the substance and the weight of evaluation factors, subfactors, and elements, as well as the substance of any applicable qualification standards, are presented to the SSO or designee for approval;

h. The RFP is reviewed and approved by the SEB prior to issuance;

i. During the competitive phase of the procurement, every effort must be made to assure fair and equitable treatment of all offerors (both prospective and actual). Upon release of the formal RFP, the Chairperson shall impose a communication blackout, in writing, by directing all personnel associated with the procurement to refrain from communicating with prospective offerors, formally or informally, regarding any aspects of the procurement. All inquiries regarding the procurement shall be referred to the contracting officer; and

j. Prior to receipt of proposals, the evaluation plan is reviewed and approved by the SEB and cognizant management personnel. The evaluation plan, once approved, must be impartially applied by the SEB to each proposal.

402 EVALUATION PLAN

1. The SEB evaluation plan consists of general and specific evaluation guidelines (and qualification standards, where applicable) established to assess each offeror's proposal relative to the evaluation factors, subfactors, and elements set forth in the RFP. The evaluation guidelines are designed to focus the evaluators' assessment. They are not weighted and are not listed in the RFP. However, the substance of the guidelines may be included in a narrative description of the subfactors and elements. In addition, the plan includes the system used in conducting the evaluation and scoring each offeror's proposal.

2. The SEB determines what evaluation factors, subfactors, and elements to assign to the various committees and panels. While it is necessary to give committees and panels all information required to conduct an evaluation of their assigned area, it is not appropriate to disclose to them the specific scoring system used by the SEB in scoring proposals.

3. The detailed SEB evaluation plan to be used by the SEB, committees, and panels should be approved before the RFP is issued but, in any case, shall be approved before proposals are evaluated.

403 QUALIFICATION STANDARDS

1. It is NASA policy to offer the opportunity to compete for its procurements as broadly as is consistent with the nature of each particular procurement. However, in view of the distinctive characteristics of NASA programs, those potential offerors that do not possess the minimum qualifications and resources necessary to perform the proposed work of a given procurement should not be encouraged to incur proposal and other expenses involved in competitive submissions.

2. To accomplish this objective without limiting meaningful competition requires early and intense effort on the part of the SEB, working in conjunction with the program and procurement staff most familiar with the procurement requirements.

3. When the nature of the procurement requires, qualification standards may be established in accordance with FAR 9.104-2. These will

consist of special experience, capability, or specialized facilities critical to program performance aspects of the procurement.

4. In establishing qualification standards, care must be exercised to restrict them to those essential to the successful completion of the contract work. Qualification standards may be employed only where it is possible for the SEB to establish standards which are justified by the nature of the particular procurement. These standards must be applied equally to all potential sources.

5. When developed by the SEB and approved by the SSO or designee, qualification standards shall be clearly set forth in the RFP and included in the Commerce Business Daily synopsis.

6. Approved qualification standards will be used by the SEB to screen proposed source list(s) so that only firms possessing those unique specialized facilities, capability, or experience deemed critical to program performance aspects of the procurement will be solicited. Notwithstanding the considerations that lead to the elimination of sources from solicitation, any firm may submit a proposal. These same qualification standards will be used to consider all sources who may submit a proposal. This assures that the presolicitation consideration of prospective contractor qualification standards does not act to restrict competition, but only to discourage costly proposal submissions from potential offerors to whom award would not appear likely and that all offerors shall have an equal opportunity to compete. If an offeror fails to meet the stated qualification standards, the proposal shall be rejected, not considered further in the evaluation, and the offeror informed of the basis of rejection.

404 REQUEST FOR PROPOSALS (RFP's)--REVIEW AND APPROVAL

1. Effectiveness of the evaluation is dependent, in large measure, on how well the work to be performed and the basic ground rules under which the competition will be conducted are described in the RFP. Accordingly, the RFP shall be reviewed by the SEB and approved by appropriate levels of management prior to issuance to ensure its acceptability.

2. In reviewing the RFP, the SEB and appropriate management shall ensure that the following matters pertinent to source evaluation and selection are fully covered in the solicitation:

a. Any qualification standards shall be identified and described.

b. Evaluation factors shall be described, including a general narrative explanation of their relative importance.

c. The Mission Suitability factor shall be described. Evaluation subfactors shall be identified and described, including their numerical weights. If deemed conducive to the evaluation process, elements of a subfactor shall be identified and described, including their numerical weights.

d. The Cost factor shall be described.

(1) When uncertainties involved in contract requirements necessitate the use of a cost-type contract, offerors may be motivated to perform within the proposed cost estimate through the inclusion of appropriate cost incentive arrangements.

(2) Negotiated indirect cost rate ceilings shall be used only in accordance with FAR 42.707.

e. The Relevant Experience and Past Performance factor shall be described. The identification data and contact or customer references required by NFS 18-15.406-70(b)(6) for the conduct of this evaluation shall be stated. Offerors should be cautioned that omissions or an inaccurate or inadequate response to this evaluation category could have a negative effect on overall evaluation. Offerors should also be advised that, in addition to information they provide, the SEB will consider all information available to NASA regarding the offeror's relevant experience and past performance.

f. The Other Considerations factor shall be described.

g. The method of evaluation shall be explained clearly, but concisely, so that prospective offerors understand the SEB's use and treatment of the factors, subfactors, and elements.

h. When cost proposals are permitted to be submitted after technical proposals, a notice shall be included in the RFP stating the required date for each submission.

i. When applicable, a notice that a preproposal conference is to be held shall be included, stating its purpose, time, place, and scope.

j. The Statement of Work shall describe as clearly and concisely as possible the product or service to be procured. It shall be structured to identify the important areas of emphasis. There must be no inconsistencies between it and the evaluation factors, subfactors, and elements to be used by the SEB and the SSO. Nonessential or unduly restrictive requirements shall be eliminated.

k. Requirements for reports and data essential to contract evaluation and performance shall be clearly described, including a cross reference to the Statement of Work and a schedule for submission.

l. When the procurement involves a major system under NMI 7100.14, the SEB will ensure that the RFP is prepared in terms of mission need so each offeror can respond with an alternative system design concept proposal to satisfy the mission need and can propose a technical approach, design features, and alternatives to schedule, cost, and capability goals consistent with that concept. In order to remove inhibitions to innovative solutions and to improve the approach to achieving program objectives, consideration should be given to conducting orientation briefings for prospective offerors and, where appropriate, solicit comments on a draft of the solicitation.

m. Any limitations on pages and the number of copies of offerors' initial proposals shall be included. When imposing a firm page limitation, the solicitation must clearly state that the evaluators will read only up to the maximum number of pages specified. Pages in excess of the maximum are to be removed from the proposal and not evaluated, but retained as a part of the official contract file. Guidance on the number of pages preferred in offerors' proposals may be used in lieu of a firm page limitation.

3. The SSO may request a detailed review of the RFP beyond that of the SEB and cognizant management personnel or may, more specifically, request a

detailed review of the Statement of Work, qualification standards, evaluation factors, subfactors, elements, or other areas pertinent to proposal preparation, evaluation, and source selection. Specific reviewing officials or offices may be designated for this purpose.

4. The RFP shall comply with all current regulations and directives applicable to NASA solicitations; particular emphasis is placed on the requirements of FAR 15.406 and NFS 18-15.406.

5. When detailed program or project support plans will be required as part of the offeror's proposal but are not considered important discriminators in the evaluation process, the requirements for these plans shall be described in separate appendices to the Statement of Work in accordance with NFS 18-15.406-70(a)(7).

6. When, either before or after receipt of proposals, the Government modifies its requirements, the contracting officer is required to issue a written amendment to the RFP in accordance with FAR 15.606.

405 PREPROPOSAL CONFERENCE

1. A preproposal conference to brief prospective offerors may be conducted after a solicitation has been issued but before proposals are received, in accordance with FAR 15.409. The contracting officer, in conjunction with the SEB, shall make a determination, prior to issuance of the RFP, as to whether a preproposal conference is required. Generally, these conferences benefit both the Government and prospective offerors in complex acquisitions where it is necessary to explain or clarify complicated specifications and requirements.

2. The conference shall be scheduled to permit prospective offerors sufficient time after the issuance of the RFP to become familiar with the RFP requirements yet not too late to allow meaningful use of the information obtained at the conference.

3. The conference should include a presentation of the significant aspects of the procurement followed by a question and answer session. A record of all information provided at the conference, together with a copy of all questions and answers, shall be provided to all prospective offerors by formal written amendment to the solicitation. If it becomes apparent at the conference that the RFP needs revision, the revised requirements must be included in a written amendment.

406 INITIAL EVALUATION

1. Upon receipt of proposals, the contracting officer shall mark each proposal with the date and time of receipt and forward all proposals to the SEB Chairperson or the SEB Recorder for control and safeguarding throughout the evaluation process.

2. Late proposals or modifications shall be handled in accordance with FAR 15.412.

3. **Procedure for Evaluation of a Single Proposal**

a. If only one proposal is received in response to the solicitation, the contracting officer shall examine the situation to ascertain the reasons for the single response. The contracting officer shall include a written notation in the contract file describing the circumstances surrounding the receipt of a single proposal as well as a determination whether or not the solicitation was or was not flawed or unduly restrictive, prior to releasing the proposal to the SEB for evaluation.

b. The SEB shall complete a limited preliminary evaluation to determine that the single proposal submitted satisfies stated qualification standards, if any, and is otherwise an acceptable proposal (see subparagraph 406.5). Upon completion of this limited preliminary evaluation, a letter shall be forwarded to the SSO presenting a summary of the evaluation results.

c. The SSO shall as a result of reviewing the SEB summary, and the contracting officer's examination of the facts and determination, notify the SEB Chairperson that either--

(1) The SEB is instructed to proceed with pre-established SEB procedures, including complete initial evaluation, oral and written discussions, request and receipt of a Best and Final Offer (BAFO), and final evaluation, culminating in a formal presentation to the SSO for approval to enter into negotiations;

(2) The contracting officer is instructed to immediately enter into negotiations resulting in a complete contract document, signed by the offeror, to be signed by the contracting officer upon approval by the SSO. Upon completion of the negotiations, the SEB shall present the results to the SSO for approval; or

(3) The SEB Chairperson is granted full delegation of authority to disband the SEB and to instruct the contracting officer to conduct negotiations for contract award without further SSO involvement.

(4) The contracting officer is instructed to reject the single proposal received and to cancel the solicitation.

d. These procedures are likewise applicable when the number of proposals equals the number of awards contemplated or when only one acceptable proposal is received as defined by subparagraph 406.5 of this handbook.

4. Committee Evaluations

a. The initial phase of evaluation generally will involve established committees. As promptly as possible, committees are to be convened. The SEB Chairperson shall transmit to the committees proposals or portions of proposals to be evaluated, instructions regarding the expected function of each committee, and all data considered necessary or helpful. The committee chairperson is responsible for instructing the members as to committee functions, responsibilities, and procedures.

b. While oral reports may be given to the SEB, the committee function requires the submission of a written report which should include--

(1) Copies of individual worksheets and supporting comments to the lowest level evaluated;

(2) An evaluation sheet summarized for the committee as a whole; and

(3) A statement for each proposal describing any strengths or weaknesses which significantly affected the evaluation and stating any

reservations or concerns, together with supporting rationale, which the committee or any of its members want to bring to the attention of the SEB.

c. It is imperative that the SEB provide clear traceability throughout the evaluation process. This traceability must exist at all levels of the SEB process. All reports submitted by committees or panels will be retained as part of the SEB records but need not necessarily be included as part of the SEB report to the SSO. A committee report should be included with the SEB report if it is so significant that its inclusion is necessary to the SSO's understanding of the SEB's action.

d. Each voting SEB member shall thoroughly review each proposal. Committee reports and findings shall be reviewed by the SEB. The SEB is to consider the committee evaluation, take into account any reservations or concerns stated by the SEB members and the committee, and rate or score the proposals for each evaluation factor, subfactor, and element according to its own collective judgment. SEB minutes shall reflect this evaluation process which shall be consistent with the approved evaluation plan.

5. Identification of Unacceptable Proposals

a. The SEB may discontinue the evaluation of any proposal which is unacceptable because--

(1) It does not represent a reasonable initial effort to address itself to the essential requirements of the RFP or clearly demonstrates that the offeror does not understand the requirements of the RFP;

(2) In research and development procurement, a substantial design drawback is evident in the proposal, and sufficient correction or improvement to consider the proposal acceptable would require virtually an entirely new technical proposal; or

(3) It contains major technical or business deficiencies or omissions or out-of-line costs which discussions with the offeror could not reasonably be expected to cure.

b. Simple technical nonresponsiveness in the sense in which the term is used in sealed bidding is not alone sufficient to constitute unacceptability if the proposal is otherwise competitive and written and/or oral discussions, or negotiations after selection, reasonably offer the likelihood of resolution. When there is doubt as to whether a proposal should be rejected initially as unacceptable, that doubt shall be resolved by including it for further consideration.

c. The SEB must document its judgment that the deficiencies of any proposal are sufficiently significant to warrant discontinuing evaluation of the proposal at this point in the process.

6. SEB Findings

a. Preparing the results of the initial evaluation in a narrative SEB report is an important aspect of the evaluation process. The SEB should be aware that the SEB report and presentation provide the principal tools available to the SSO to perform a comparative analysis in making a source selection decision. Guidelines for the report and presentation are set forth in Chapter 5 and Appendix C. For each proposal, the SEB should indicate in the narrative whether the proposal meets or fails to meet any of the requirements of the RFP; all strengths and weaknesses of the proposal and whether they are correctable; the proposed and probable cost (normally required only for those offeror(s) in the competitive range or those offeror(s) eliminated from competitive range on the basis of cost); the technical, schedule, and cost risk associated with the proposal; and the adjectival rating of the Relevant Experience and Past Performance and Other Considerations evaluation factors. Strengths and weaknesses must be further defined in the SEB report as major or minor to provide a valuable summary of discriminators among proposals in addition to supporting the adjectival ratings assigned to each Mission Suitability subfactor and element by the SEB, and for the Mission Suitability factor as a whole. In addition to the narrative report of evaluation findings, the SEB will apply the Mission Suitability scoring system detailed in the evaluation plan to rate each proposal in relation to the Mission Suitability evaluation subfactors and elements.

b. In structuring an applicable rating system, the following adjective ratings, definitions, and percentile ranges shall be used for the evaluation of Mission Suitability subfactors, and, if individually weighted and scored, elements. (The total proposal should also be classified with an appropriate adjectival rating for Mission Suitability.)

		PERCENTILE RANGE
Excellent	A comprehensive and thorough proposal of exceptional merit with one or more major strengths. No weaknesses or only minor correctable weaknesses exist.	91-100
Very Good	A proposal which demonstrates overall competence. One or more major strengths have been found, and strengths outbalance any weaknesses that exist. Any major weaknesses are correctable.	71-90
Good	A proposal which shows a reasonably sound response. There may be strengths or weaknesses, or both. As a whole, weaknesses, not off-set by strengths, do not significantly detract from the offeror's response. Major weaknesses are probably correctable.	51-70
Fair	A proposal that has one or more weaknesses. Weaknesses have been found that outbalance any strengths that exist. Major weaknesses can probably be improved, minimized, or corrected.	31-50
Poor	A proposal that has or more major weaknesses which are expected to be difficult to correct, or are not correctable.	0-30

c. Normally, proposals are to be rated using adjectival ratings on two occasions as follows:

(1) Upon completion of the initial evaluation of proposals, and

(2) Upon completion of the final evaluation of the BAFO's.

Both ratings will be maintained by the SEB, included in the SEB report, and presented to the SSO. There shall be clear traceability of any scoring changes between initial and best and final proposals.

7. **Determination of Competitive Range**

a. Subsequent to the initial identification of proposals considered unacceptable, the SEB will compile initial evaluation findings, of all remaining acceptable proposals, sufficient for determination of the competitive range in accordance with FAR 15.609 and NFS 18-15.613-71(b)(4). The competitive range shall be determined by the SEB together with the contracting officer on the basis of Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations stated in the solicitation and shall include all proposals that have a reasonable chance of being selected for award. Competitive range determinations are final unless the SSO determines otherwise.

b. The objective of a competitive range determination is not to eliminate proposals but to facilitate competition by conducting written and/or oral discussions with only those offerors who have a reasonable chance of being selected for award. Where there is doubt as to whether a proposal is or is not within the competitive range, the proposal should be included within the competitive range. The determination of competitive range is a complex determination based on informed judgment. All competitive range decisions shall be completely and adequately documented in the contract file in accordance with NFS 18-15.613-71(b)(4).

8. **Notification of Unsuccessful Offerors.** The contracting officer shall notify each unsuccessful offeror in accordance with FAR 15.1001(b) at the earliest practicable time, in writing, that its proposal is no longer to be considered for contract award.

407 FINAL EVALUATION

1. **Evaluation of Plant and Facilities**

a. Inspections at the plants of competing offerors could provide valuable insight into the SEB's evaluation of proposals. For instance, in procurements where significant experimental, research, developmental, testing, fabrication, or other work is to be performed (the quality of which may be affected by a contractor's plant or facilities), a complete evaluation may require an on-site visit by the SEB. For other procurements, e.g., support services contracts, plant inspections may serve no useful purpose.

b. When plant inspections are conducted, the visiting team shall include SEB members and any qualified experts required by the SEB. At least one SEB member shall be the same on all team visits to provide continuity and a basis for comparison. Visits are to be conducted, generally, after the SEB's initial evaluation has been completed and for a specific, clearly understood purpose. Visits shall be conducted only with the approval of the SEB Chairperson, who will ensure that all visits are made on an impartial basis. All personnel must remember that only the contracting officer can commit NASA and that they must avoid any contact with an offeror that is not essential or which could raise questions of impropriety. A visit to all offerors within the competitive range is advisable if plant inspections are being conducted.

c. Some potential benefits of plant visits are--

(1) Reviewing with resident Government personnel relevant experience and past performance;

(2) Reviewing the degree of capability and interest of the offeror to undertake the project in light of other work planned or in process; and

(3) Examining such matters as--

(a) Plant capacities;

(b) Management and technical capability of personnel;

(c) Availability of existing facilities, both Government-owned and contractor-owned;

(d) Adequacy of accounting practices and cost controls;

(e) Adequacy of estimating systems; and

(f) Ability to forecast and meet program schedules.

2. **Written and/or Oral Discussions**

a. Except as provided in FAR 15.610(a), the contracting officer shall conduct written and/or oral discussions with all responsible offerors in the competitive range. If, however, a decision is made in accordance with FAR 15.610(a)(3) to award without conducting written and/or oral discussions upon the completion of the initial evaluation, the SEB Chairperson shall forward a letter to the SSO for approval presenting a summary of the evaluation results. Upon SSO approval, the contracting officer shall undertake to complete all actions necessary to award the contract, without discussions or negotiations, to the offeror submitting the lowest overall cost proposal.

b. Written and/or oral discussions shall be conducted in accordance with FAR 15.610 (with the exception of FAR 15.610(c)(2)) and NFS 18-15.613-71(b)(5). Preparation for written and/or oral discussions should include, but not be limited to, the establishment of the following:

(1) The time(s) and place(s) for conducting discussions. This requires establishment of the order of discussions with offerors. When feasible, the order should be established alphabetically or by lot. When discussions are to be at offeror's plants or offices it may be that geographic dispersion will be the deciding factor. The objective is impartiality.

(2) Topics for discussion. This will include preparation and issuance of written questions common to all offerors, as well as those that are peculiar to individual offerors, allowing adequate time for development of responses by offerors.

(3) The Government team that will conduct the discussions. The contracting officer, in concert with the SEB Chairperson, will designate appropriate procurement, pricing, and technical personnel for the Government team in addition to identifying the individuals specified in the offeror's proposal requested to be present for the discussions.

c. The contracting officer, in concert with or on behalf of the SEB, will conduct written and/or oral discussions of the effort to be accomplished and the cost or price of the effort with all offerors determined to be within the competitive range. The discussions are intended to assist the SEB--

(1) In understanding fully each offeror's proposal and its strengths and weaknesses based upon the individual efforts of each offeror;

(2) In assuring that the intent and the points of emphasis of RFP provisions have been adequately conveyed to the offerors so that all offerors are competing equally on the basis intended by the Government;

(3) In evaluating the personnel proposed by each offeror; and

(4) In presenting a report to the SSO that makes the discriminators identified among proposals clear and visible.

d. In cost-reimbursement type contracts and all research and development contracts, the contracting officer shall point out instances where the meaning of some aspect of a proposal is not clear and instances in which some aspects of the proposal failed to include substantiation for a proposed approach, solution, or cost estimate. However, where the meaning of a proposal is clear and the SEB has sufficient information to assess its validity and the proposal contains a weakness that is inherent in an offeror's management, engineering, or scientific judgment or which is the result of its own lack of competence or inventiveness in preparing its proposal, the contracting officer shall not point out the weaknesses. The possibility that such discussions may lead an offeror to discover that it has a weakness is not a reason for failing to inquire into a matter where the meaning is not clear or where insufficient information is available, since understanding of the meaning and validity of the proposed approaches, solutions, and cost estimates is essential to a sound selection. Offerors should not be informed of the relative strengths or weaknesses of their proposals in relation to those of other offerors. To do so would be contrary to regulations which prohibit the use of auction techniques (see FAR 15.610(d)(3)). In the course of discussions, Government participants should be careful not to transmit information which could give leads to one offeror as to how its proposal may be improved or which could reveal a competitor's ideas.

e. In fixed-price type contracts other than for research and development, the specifications ordinarily describe the Government's requirements with more particularity than is possible in cost reimbursement or research and development contracting, so that less emphasis is placed on an offeror's introduction of scientific, engineering, and management innovations. The contracting officer, in written and/or oral discussions, shall point out instances in which some aspect of a proposal contains a weakness in relation to the Government's requirements.

However, the contracting officer shall neither point out the relative strengths or weaknesses of a proposal in relation to those of other offerors nor transmit information which could give leads to one offeror as to how its proposal may be improved or which could reveal a competitor's ideas. The contracting officer shall point out price elements that do not appear to be justified and shall encourage offerors to put forward their most favorable price proposals, but shall not discuss, disclose, or compare price elements of any other offeror.

f. Although unusual, if the SEB and the contracting officer, after conducting written and/or oral discussions, determine that a proposal no longer has a reasonable chance of being selected for contract award, the proposal can be eliminated from the competitive range in accordance with FAR 15.609(b). The contracting officer shall notify the unsuccessful offeror in writing that its proposal is no longer eligible for award.

g. If, after conclusion of written and/or oral discussions, the SEB considers that the evaluation findings thus far completed are not sufficiently comprehensive for the SSO to make a decision, it may be prudent and necessary to conduct further discussions or final negotiations with those offerors remaining in the competitive range prior to presentation of the findings to the SSO. This course of action must be considered as an exception to the SEB process and therefore may be accomplished only with the approval of the Assistant Administrator for Procurement.

3. Best and Final Offers (BAFO's)

a. The contracting officer will issue to all offerors still within the competitive range a request for Best and Final Offers (BAFO's) in accordance with FAR 15.611. Oral requests for BAFO's shall be confirmed in writing.

b. A common cutoff date and time that allows each offeror a reasonable opportunity to support and clarify its proposal through submission of a written BAFO shall be established. An offeror may, on its own initiative, revise its proposal and make corrections or improvements until the established cut-off date.

c. Offerors should be cautioned to provide supporting documentation for any changes to their prior offers. Any revision received after the established common cutoff date must be considered late in accordance with FAR 15.412.

d. The cutoff date must be such as to permit adequate time for all offerors to submit revised proposals; particular care must be taken to ensure that there is no compression of time for the offeror with whom discussions were last held, i.e., if 2 weeks is adequate time for submission, then the time allowed should be 2 weeks from the date of last discussions.

4. Evaluation Findings

a. After consideration of all committee reports, information received from offerors through plant visits, written and/or oral discussions, and BAFO's, the SEB shall conduct a final evaluation of proposals.

b. The final evaluation must build on the SEB's earlier recorded findings. The purpose of the final evaluation is to determine the effects, if any, of discussions and BAFO's on the SEB's earlier Mission Suitability scores and adjectival ratings as well as on the initial evaluation of Cost, Relevant Experience and Past Performance, and Other Considerations. Therefore, a clear and logical audit trail shall be maintained for the rationale for changes in ratings and scores, including a detailed account of the SEB decisions leading to the final ratings and scores.

c. The final evaluation must represent the collective judgment of the SEB regarding its assessment of the offerors for each factor evaluated including its assessment of the Mission Suitability subfactors, elements, if any, and its associated ratings, scores, and findings. The adjectival ratings and numerical scores shall reflect the strengths, weaknesses, and discriminators the SEB finds in the proposals. In this way, the reasons for differences in adjectival ratings, numerical scores, and findings can readily be explained to and understood by the SSO.

d. All significant SEB evaluation findings shall be fully documented and incorporated into a written report which will serve as the basis for the selection decision by the SSO.

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CHAPTER 5: SOURCE EVALUATION BOARD REPORT AND PRESENTATION

500 GENERAL

This Chapter describes the requirements for the written report and oral presentation to the SSO.

501 RESPONSIBILITIES AND PROCEDURES

1. The SEB shall prepare a written report of its findings, signed by the Chairperson and all voting members of the SEB. It shall present its written report and make an accompanying oral presentation to the SSO. Guidelines for the written report and the oral presentation are set forth in Appendix C.

2. **SEB Preliminary Presentation (Dry Run)**

a. When the Administrator is the SSO, a preliminary presentation should be made to the Field Installation Director and to the Official-in-Charge of the cognizant Headquarters Program Office. When the Official-in-Charge of the cognizant Headquarters Program Office is the SSO, a preliminary presentation should be made to the Field Installation Director and the cognizant Headquarters Deputy Program/Staff Associate Administrator or the official responsible for the specific project. The dry run presentation is the same presentation prepared for the SSO. Attendance at the dry run shall be restricted to those personnel who are involved in the selection process or who have a valid need-to-know. For Headquarters dry runs, an attendance list will be issued by the SEB coordinator in the Office of Procurement (Code HS). Admittance to the dry run will be restricted to those individuals whose names appear on the attendance list. However changes proposed 24 hours before the presentation will be considered. Persons not on the list will not be admitted without the prior authorization of the SEB coordinator. For field installation dry runs, the attendance list will be prepared by a designee of the Procurement Officer.

b. The following personnel or designees should attend the Headquarters dry run presentation:

(1) Cognizant program/staff officials.

(2) Official-in-Charge of the cognizant Headquarters Program Office in those cases when the Administrator serves as the SSO.

(3) NASA Comptroller.

(4) Assistant Administrator for Procurement and/or Deputy Assistant Administrator for Procurement.

(5) General Counsel and/or Associate General Counsel (Contracts).

(6) Associate Administrator for Safety, Reliability, Maintainability, and Quality Assurance, when SRM&QA matters are involved.

(7) Field Installation Director.

(8) Field Installation Chief Counsel.

(9) Selected voting and nonvoting ex officio SEB members (no designees).

(10) Field Installation Procurement Officer.

(11) Headquarters procurement personnel responsible for

support to the Headquarters cognizant Program/Staff Office.

(12) Other personnel as approved by the Official-in-Charge of the cognizant Headquarters Program Office and the Office of Procurement (Code HS).

c. The SEB Chairperson or designee is responsible for arranging and coordinating the SEB dry run with the SEB coordinator. The SEB dry run should take place far enough in advance of the presentation to the SSO to allow for changes or revisions to the presentation material, if necessary. The material used during the dry run presentation is considered to be "SEB Sensitive" and should be treated accordingly. Consequently, the SEB Chairperson is responsible for providing a projectionist, who has been SEB cleared, to present the material for both presentations.

d. The dry run presentation, as well as the presentation to the SSO, will ordinarily be made by the SEB Chairperson; however, if another official has been designated to make the final presentation to the SSO, that person shall also make the dry run presentation. The SEB presentation material shall be delivered to the SEB coordinator for control and distribution no later than 7 working days before the scheduled dry run presentation date. The SEB presentation material includes 10 copies of the SEB report and charts.

3. **SEB Formal Presentation**

a. The SEB shall present its evaluation findings to the SSO as the basis for a sound selection decision. This formal presentation should be attended by the same personnel or designees in attendance at the dry run, with the exception of the inclusion of the SSO at the formal presentation. Continuity of attendees assures a more efficient formal presentation in addition to limiting access to SEB sensitive data.

b. The cognizant procurement analyst in the Procurement Operations Division (Code HS) will function as the SEB coordinator and will perform coordination functions for the formal presentation when the Administrator or the Official-in-Charge of the cognizant Headquarters Program Office serves as the SSO. These functions include arranging the time and place of the presentation; assuring, with the concurrence of the appropriate personnel in the Office of the Administrator, proper attendance; and distributing SEB reports and graphic material.

4. The designated individuals to whom the SEB presentation(s) (dry run and final) are made will be responsible for ensuring that--

a. The requirements of this handbook and all applicable agency policies have been complied with in the solicitation and evaluation processes;

b. The written report and presentation accurately convey SEB activities and findings;

c. The oral presentation is arranged and conducted in a professional manner; it is complete and informative; and it can be concisely presented within the time allocated by the SSO; and

d. No changes (1) to established evaluation factors, subfactors, elements, weights, or scoring systems or (2) in the substance of the SEB's findings shall be made. They may, however, direct the SEB to reconvene to rectify procedural omissions, irregularities or inconsistencies, substantiate its findings, or revise the organization of the written report and/or the method of presentation.

5. All copies of the SEB reports and presentation material contain sensitive business information in addition to "SEB Sensitive" data and shall be adequately safeguarded throughout the source selection process. Physical safeguarding of sensitive data includes, but is not limited to--

a. Controlling the number of copies of proposals and SEB reports;

b. Restricting access to SEB work areas;

c. Securing SEB material under locked conditions or in vaults;

d. Minimizing SEB presentations other than the dry run and formal presentations; and

e. Limiting attendees at SEB presentations.

CHAPTER 6: SOURCE SELECTION

600 GENERAL

This Chapter provides guidelines relating to the source selection decision, notice and debriefing for unsuccessful offerors, source selection statement, and multiple selection decisions.

601 SOURCE SELECTION DECISION

1. The SSO shall use the evaluation factors, subfactors, and elements set forth in the solicitation to make the source selection decision. The SSO shall consider the SEB findings and the advice provided by cognizant line and staff management at the conclusion of the SEB presentation in determining which of the proposals submitted in response to the solicitation would prove most advantageous to the Government, all factors considered.

2. In accordance with NASA policy and FAR 15.613, upon source selection by the SSO, the contracting officer will proceed with negotiations leading to award of contract(s).

602 NOTICE AND DEBRIEFING FOR UNSUCCESSFUL OFFERORS

1. a. When a proposal is no longer to be considered for contract award, the offeror will be promptly notified by the contracting officer, in writing, together, with a general, brief explanation of the major reasons in accordance with FAR 15.1001 and NFS 18-15.613-71(b)(7). There are, generally, five points in the SEB process when it may be determined that a proposal is no longer to be considered for contract award:

(1) After determination that stated qualification standards, if any, have not been satisfactorily met.

(2) After identification of an unacceptable proposal in accordance with subparagraph 406.5 of this handbook.

(3) After determination of the competitive range resulting from the initial evaluation of proposals.

(4) After written and/or oral discussions resulting in a determination that a proposal does not stand a reasonable chance of being selected for award.

(5) After the selection decision by the Source Selection Official.

b. In the first four instances, the notice shall state that a revision of the proposal will not be considered. Post-selection notices shall be issued in accordance with FAR 15.1001(c) and 15.1002.

2. If any offeror requests a debriefing in writing, the offeror shall be formally debriefed and furnished the basis for the selection decision after the final source selection decision by the SSO. This debriefing should normally take place prior to contract award and be conducted in accordance with NMI 5103.1, "Debriefing of Unsuccessful Companies in Competitive Negotiated Procurements." If the situation will not permit delaying the award in order to debrief unsuccessful offerors, the debriefing may be conducted after award.

603 SOURCE SELECTION STATEMENT

1. When the final source selection decision has been made by the SSO, a Source Selection Statement shall be prepared for the SSO's signature in a manner releasable to the competing offerors and the general public, if requested.

When the Administrator or an Official-in-Charge of a Headquarters Program Office is the SSO, the Statement will be prepared by the Office of General Counsel. Source Selection Statements prepared at the field installation should be drafted by the Field Installation Chief Counsel or designee.

2. Source Selection Statements must describe the procurement; the SEB evaluation procedures; the substance of the Mission Suitability evaluation; evaluation of the Cost factor, Relevant Experience and Past Performance factor, and Other Considerations factor involved in reaching the selection decision. There should be coverage of unacceptable proposals, the competitive range determination, late proposals, or any other pertinent considerations applicable to the specific decision. It must be stressed that nothing can substitute for the use of good judgment. The Source Selection Statement must be self-sufficient and must reveal sound rationale for the selection clearly and succinctly, without revealing the scores involved, the proposed prices, or any other confidential business information.

3. Source Selection Statements shall be signed as soon as practicable after the final selection is made. The SSO may desire to have one or more key officials who participated in the selection decision concur on the Source Selection Statement prior to final signature.

4. As indicated in subparagraph 1, Source Selection Statements generally may be released to competing offerors and the general public; however, it is anticipated that the Statement will not always be available in final form or signed by the Source Selection Official at the time of debriefing of unsuccessful offerors. A draft of the decision portion of the Statement that has been reviewed by the SSO or a concurring official should be available to the designated Debriefing Official for guidance at the debriefing. In order to avoid any misunderstanding, the Source Selection Statement rationale contained in the draft Statement should have the approval of the SSO or a concurring official prior to any debriefing(s). This will enable NASA to demonstrate, for the record, that the SSO's selection rationale was not modified substantially (editorial changes can be made) as a result of the debriefings. If requested by an offeror a copy of the final Source Selection Statement will be furnished to the offeror when it is signed by the SSO, subject to the provisions of subparagraph 5.

5. a. Under some situations, multiple selections are made for the purpose of permitting a design or other competition to continue until a final selection is made for a single contractor to undertake full-scale development. Stating the strengths and weaknesses in the Source Selection Statement in these cases may result in the premature disclosure of innovative concepts, designs, and approaches. Release of these Selection Statements to competing offerors or the general public prior to final selection of concept(s) or contractor(s) for full-scale development could compromise the integrity of the competition by making possible a transfusion of ideas which could also inhibit offerors during the early phase from offering their best and most promising ideas for meeting the mission need.

b. Accordingly, unless prior approval is obtained through the Headquarters Procurement Operations Division (Code HS) with the concurrence of the Office of General Counsel, Source Selection Statements for the selection of alternative system design concepts subject to NMI 7100.14, "Major System

Acquisitions," are not to be released to competing offerors or the general public, if requested, prior to the release of the Source Selection Statement for full-scale development.

c. A similar problem may occur in other procurements where competition continues but is not covered under NMI 7100.14, "Major System Acquisitions,". When possible, care should be taken to set forth the strengths and weaknesses and other information in a manner that will avoid this problem. However, if this is not feasible, the Statement should not be released except in accordance with the procedures of the Freedom of Information Act, 5 U.S.C. 552.

604 MULTIPLE SELECTION DECISIONS

1. While SEB procedures contemplate that the SSO will be in a position to select a single source for final contract negotiations subsequent to the SEB presentation, a variety of considerations may lead the SSO to direct that contract negotiations be conducted with two or more offerors. Such negotiations are to result in complete contract documents signed by the offerors which may be accepted by the agency upon final selection of the successful offeror by the SSO.

2. The SEB shall consult with the SSO, the contracting officer, and the negotiating team regarding negotiation positions, objectives, and information to be obtained during negotiations to assist the SEB in making its final evaluation and report after the negotiations. The objectives of negotiations are essentially the same as those where a single offeror has been selected for final contract negotiation and award; each offeror's correctable weaknesses should be pointed out and corrected during negotiations, using whatever technical and other information is known and which the Government has the right to use. Similarly, negotiations should be conducted to result in a fair and reasonable cost or price. Particular attention shall be given to any instructions which the SSO may have given when he/she directed the multiple contract negotiations.

3. The final contract negotiation process differs from the written and oral discussions previously held with offerors in the competitive range. Discussions have the specific function of obtaining information for evaluation and selection purposes, while the final contract negotiations have the additional function of presenting that information in contractually binding form. For this reason, it is essential that each offeror be brought to the most favorable terms that the negotiation process can produce, including technical and scientific approaches, management arrangements, and estimated costs (or fixed prices where applicable). The prohibition against auction techniques in FAR 15.610(d)(3) is equally applicable to these negotiations.

4. Upon completion of the negotiations and agreement on contract terms, the SEB shall conduct a final evaluation, focusing on a comparative analysis of the contracts negotiated, their relative strengths and remaining weaknesses, their estimated costs and fee(s)/prices and probable costs, and any other factors that might influence the selection. The evaluation must build on the SEB's earlier report and presentation to the SSO which resulted in the decision to have multiple contract negotiations conducted. The evaluation is to determine the effects, if any, of the contract negotiations on the SEB's earlier final Mission Suitability scores as well as on

evaluation of Cost, Relevant Experience and Past Performance, and Other Considerations; however, an arithmetic rescoring is not to be accomplished. A summary of the results of the evaluation shall be prepared for presentation to the SSO including any changes in the SEB's assessment of each proposal. The revisions may be expressed in a narrative analysis including an appropriate adjectival rating.

5. a. Upon completing its evaluation of the results of contract negotiations, the SEB shall report its findings to the SSO. This is to be accomplished by oral presentation and supplemental written report. When the Administrator is serving as the SSO, this should be preceded by preliminary presentations to the Field Installation Director and to the Official-in-Charge of the cognizant Headquarters Program Office.

b. The report and presentation shall include the following:

(1) A summary review of the previous report and presentation.

(2) A brief discussion of significant weaknesses and strengths of the companies involved, as reported and presented in the previous report and presentation, with emphasis on key discriminators, if any.

(3) A discussion of how any instructions given by the Source Selection Official were carried out.

(4) The results of the negotiation, and the impact, if any, on the SEB's findings and conclusions in the previous report, including Mission Suitability, Cost, Relevant Experience and Past Performance, and Other Considerations, as appropriate.

(5) Discussions of any matters or areas of substance that arose during the negotiations and that were not present in the proposals or the earlier oral and/or written discussions or BAFO's.

6. The contracting officer should be present and should participate, as appropriate, in the presentation to the SSO. The contracting officer or designee will bring to the presentation copies of the contracts signed by the offerors.

APPENDIX A: SAMPLE LETTER OF DESIGNATION

TO:

FROM:

SUBJECT: Source Evaluation Board (SEB) for ______________________

____

Pursuant to Chapter 2 of the NASA Source Evaluation Board Handbook (NHB 5103.6), I hereby designate the following individuals to serve as members of the SEB for the purpose of evaluating proposals received in response to the solicitation for ______________________

______________________:

Chairperson:

Name of individual, functional title, and organizational assignment.

Other Voting Members:

Names of individuals, functional titles, and organizational assignments.

SEB Recorder:

Name, functional title, and organizational assignment.

Nonvoting Ex Officio Members:

Name, functional title, and organizational assignment.

The SEB will conduct its business in strict accordance with the provisions of the SEB handbook. The SEB Chairperson is responsible for determining that each SEB member (both voting and nonvoting) is fully conversant with the instructions contained in the handbook. SEB duties will take precedence over other regular duties of the SEB members.

Attention of the SEB Chairperson and each SEB member is particularly directed to Chapter 2 of the SEB handbook which describes the roles of key participants in the SEB process, including cognizant line and staff management, the SEB, and the Source Selection Official (SSO). The importance of the SEB function to agency programs necessitates continual management involvement throughout the evaluation and selection process.

It is emphasized that the SEB report and presentation are the principal tools available to the SSO to perform a comparative analysis for making the final source selection decision and must be presented in sufficient depth to permit the intelligent weighing of alternatives. All proposals will be evaluated and reported in accordance with the SEB handbook. The SEB's written findings will give no consideration to elements which are extraneous to the objectives of this procurement.

Attention of the SEB Chairperson and the SEB is further directed to FAR 15.612(e) and Chapter 2 of the SEB handbook which prohibit the disclosure of information to anyone who is not also participating in the same evaluation proceedings. After receipt of proposals, all information contained in the proposals submitted for evaluation will be protected and will be made available only to the members (voting and nonvoting) of the SEB and to properly designated committees and panels on a need-to-know basis. The right to information on a need-to-know basis does not extend to the normal chain of supervision of any member of the SEB or to any individual having technical responsibility for the effort being evaluated except as specifically approved by the SEB Chairperson on a case-by-case basis. Individuals so designated by the

SEB Chairperson will be notified, in writing, of the privileged character of proposal information.

______________________________ ______________
Signature of Designating Official Date

APPENDIX B: INDIVIDUAL CERTIFICATE FOR SOURCE EVALUATION BOARD PARTICIPANTS

1. I, the undersigned, a participant in the Source Evaluation Board (SEB) proceedings for the competition of the

____

____

contract, certify that I will not discuss or reveal any information concerning these SEB proceedings to anyone who is not also participating in the same SEB proceedings, and then only to the extent that such information is required in connection with such proceedings on a need-to-know basis.

2. I further agree that at any time I discover that I have an interest in, or connection with, a company submitting a proposal for evaluation by the Board or advisory committee on which I serve, I shall promptly report, in writing, the fact of my interest or connection, and the nature of it, to the person who has appointed me to the Board or advisory committee, through the SEB Chairperson. I recognize that a reportable interest or connection includes the following:

a. Ownership of a company's securities by myself or my spouse.

b. A close family relationship to an official of a company submitting a proposal or participating as a subcontractor.

c. Any other interest in or connection with a company which might tend to subject NASA to criticism on the basis that such interest or connection would impair my objectivity in participating on the Board or advisory committee of which I am a member.

3. I further certify that I have read and understand NHB 1900.1, "Standards of Conduct for NASA Employees."

4. In addition, I fully realize that any breach by me of my obligation to safeguard and not disclose to unauthorized persons any information made available to me concerning the evaluation may result in appropriate disciplinary action, provided for by law or regulation, being taken against me by duly constituted authority.

____________________ ____________

Signature Date

APPENDIX C: GUIDELINES FOR THE SEB REPORT AND PRESENTATION TO THE SOURCE SELECTION OFFICIAL

I. INTRODUCTION

A. In preparing the SEB report and presentation, emphasis should be placed on substance. This Appendix C provides guidance on content and format of the SEB report and the oral presentation to the SSO. This guidance is designed to be appropriate for most procurements. If a specific procurement has peculiarities which cause the proposed format to be impractical, the SEB Chairperson may alter it in any manner that does not detract from the substance.

B. The findings of the SEB are presented in two parts, the written SEB report and an oral presentation. This Appendix sets forth the minimum requirements. The detail and use of additional schedules or other information are, of course, governed by the nature and scope of the subject being presented.

C. The SEB shall approve the written report and the graphic material to be used for the accompanying oral presentation. Viewgraph presentations are appropriate where the nature of the presentation permits. Copies of visual aids to be utilized for the oral presentation should be separately bound in a folder identified as "Briefing Charts" to accompany the written report.

D. A "Glossary of Terms" should be included in the SEB Report when appropriate to define acronyms or abbreviations.

E. Copies of the SEB report and related briefing charts shall be serially numbered and controlled by the Recorder and may be distributed or disclosed only to persons having responsibilities relating to the specific source evaluation proceeding involved, except as may otherwise be approved by the Administrator or designee.

II. WRITTEN SEB REPORT

A. Description of the Requirement

1. **Procurement Description**. Provide a narrative description of the technical requirement being procured together with its scientific objectives. Explain any follow-on effort which has been planned or for which program approval will be requested. Describe the relationship with other efforts in process or planned. Explain any particular technical complexities which had an important effect on the solicitation or the evaluation of proposals. Include a table of contents in the report.

2. **Funding**. State the funding applicable to the effort including:

a. The Government estimate for the procurement, if feasible.

b. The estimated amount to be obligated under the basic contract.

c. The estimated amount to be obligated under each priced option.

d. The estimated cost of any follow-on effort to be procured under separate contract, e.g., subsequent phases.

3. **Procurement Approach**

a. State the date that the applicable procurement plan was approved.

b. Discuss any special procurement considerations which applied to the procurement being evaluated, e.g., the use of phased procurements.

c. Explain how the use of the type of contract approved in the procurement plan will advance NASA objectives; give reasons and rationale for the selection of contract type, including the applicability or inapplicability of the various incentive concepts (award fee, cost, performance, schedule, and multiple).

B. SEB Roster and Chronology of Events

1. SEB Roster. Include the SEB designation letter and any changes to it. As a supplement, provide the names, functional titles, and organizational assignments of the chairpersons of any committees and panels used by the SEB.

2. Chronology. Provide a chronology of major events connected with the source evaluation, such as:

a. The date(s) the source list and the Statement of Work were received for consideration by the SEB.

b. The dates the evaluation factors, subfactors, elements, and their definitions for incorporation into the solicitation, the relative weights of factors and the qualification standards, if applicable, were approved.

c. The date(s) the SEB with the assistance of the cognizant procurement and program or project offices approved the source list and the RFP.

d. The date the RFP was issued.

e. The date and place of any preproposal conference.

f. The date(s) of any RFP amendment(s).

g. The due date for receipt of proposals.

h. The date(s) and disposition of any late proposal(s) received.

i. The date the SEB was convened for proposal evaluation.

j. The date of the competitive range determination.

k. The dates and places of discussions with each offeror in the competitive range.

l. The date the request for BAFO's was issued.

m. The common cutoff date for conclusion of discussions and receipt of BAFO's.

n. The date the SEB completed its findings.

o. The date of the presentation to the SSO.

3. Sources. Provide a composite list, in alphabetical order, of all sources solicited and sources submitting proposals by company name and address. The list should be footnoted to explain any code used. Include a list of team members and subcontractors for those companies that submitted proposals.

C. Evaluation and SEB Findings

1. Factors, Subfactors, Elements, and Weights

a. Qualification Standards. State any specific qualification standards included in the RFP, and explain why each was necessary.

b. Evaluation Factors, Subfactors, and Elements. State the evaluation factors used in the evaluation and their relative order of importance. State the Mission Suitability subfactors and elements, if any, their definitions, and the weights assigned to each. Explain the rationale for the proportionate weights assigned to each subfactor and element, if any, Set forth relevant excerpts from the RFP which describe the evaluation factors, subfactors, and elements, if any, and their relative importance.

2. Evaluation Process

a. Discuss assignments made to committees and panels. Identify the factors, subfactors, and/or elements assigned for review and the rationale for assignment. Include any individual committee report necessary to understand the SEB results.

b. Discuss the adjective rating and numerical scoring methods and techniques used by the SEB.

c. Discuss the procedure used for the determination of the competitive range.

d. Describe the steps taken in verifying the offeror's relevant experience, past performance, and current capabilities, e.g., plant visits, customer checks, and audit reports.

e. Provide a summary of written questions common to all offerors and specific written questions addressed to particular offerors.

f. State the common cutoff date for conclusion of discussions and receipt of BAFO's.

g. Include an exposition of the SEB proceedings that is sufficient to verify proper procedures were followed and sufficient to bring out any procedural irregularities that might exist. Procedural problem areas, if any, are to be covered specifically.

h. Include copies of all letters addressed to or from the SEB regarding the SEB proceedings.

3. Initial Evaluation Findings

a. Summary Schedules. Provide the following schedules:

(1) A single schedule listing all proposals in descending order of scores received for Mission Suitability stating the assigned score for each subfactor and weighted element. Each proposal should also be classified with the appropriate adjectival rating which indicates the SEB's composite appraisal of the Mission Suitability evaluation. In addition, the appropriate summary or adjectival rating for Cost, Relevant Experience and Past Performance, and Other Considerations should be included as a part of this schedule.

(2) Provide summary charts of what the SEB considers to be the significant discriminators.

b. Statement of Findings

(1) Discuss briefly each proposal determined to be

unacceptable and the rationale for the decision.

(2) Discuss each acceptable proposal in descending order of Mission Suitability scores. Include each offeror's estimated cost or price providing a breakdown by element (labor, material, subcontracts, overhead, G&A, and fee); provide the SEB's analysis and evaluation of the adequacy (for all offerors, including those not within the competitive range), realism (for all offerors determined to be within the competitive range), and most probable cost (for at a minimum, each proposal within the competitive range) of each respective cost proposal. Discuss the SEB's evaluation of Relevant Experience and Past Performance and Other Considerations. Include a discussion of the following considerations:

(a) Evaluation of the proposal as related to each factor, subfactor and element and to the approved evaluation plan in sufficient detail to permit examination of the findings of each evaluation phase and to trace discriminators to the final results. Where changes in rating or scoring have occurred during the process, a logical visible thread of the rationale for such changes in rating or scoring should be provided.

(b) Provide a discussion of the major and minor strengths and weaknesses of the proposal with an estimate of the potential for correction of weaknesses identified. Clearly list the strengths and weaknesses and identify them as major or minor, in addition to the narrative, to provide clear traceability throughout the evaluation process.

(c) Provide an analysis of key personnel.

(d) Discuss significant changes in the proposal, including the elimination of any correctable weaknesses, that would have to be negotiated after selection with a discussion of the negotiation cost objectives associated with those changes.

(e) Discuss the evaluation of the Cost factor, including the effects of the proposed cost on the technical and management effort.

(f) Provide a best estimate of the probable cost of performance, if selected, together with an indication of the confidence in the SEB's estimate.

(g) Provide any information or analysis that would be helpful to the SSO in determining the impact of cost in making a selection decision.

(h) Provide information to reflect the offeror's financial capability to perform the contract effort. A listing of possible information includes:

(i) Complete name and location of the organizational element proposing the effort.

(ii) Complete name and location of the parent corporation, if any.

(iii) Place or places of performance of the proposed effort.

(iv) Recent history of sales (of the particular division or entity involved), by customer, including industry and Government customers.

(v) Sales projections, by customer, for the period involved in the procurement.

(vi) Recent history of earnings of the division or entity involved in the procurement, if available.

(i) Present a brief analysis of the fee arrangement including any incentive arrangement s proposed, e.g., how the rewards would be earned or lost, the benefit to NASA, and any changes to be sought in negotiations (target minimum or maximum fee levels, sharing formula, or ceiling) which will improve the coverage of the incentive toward the attainment of the NASA objectives. Indicate whether, and for what reason, any offeror took exception to or suggested an alternative to the arrangement contemplated in the RFP. Provide an analysis of the importance the SEB attaches to such an exception or alternative.

(j) Provide detailed information on Relevant Experience and Past Performance. Provide information on the offeror's response to the RFP requirements for data in this category, the evaluation of the data by the SEB, the sources or references contacted, etc.; summarize conclusions and highlight significant accomplishments or failures. Provide the rationale for the adjectival rating of the SEB.

(k) Discuss the evaluation of Other Considerations and the rationale for the adjectival assessment of each subfactor under this factor.

4. **Competitive Range Determination**. Discuss the competitive range determination and the rationale for the decision, summarizing the evaluation findings that provided the basis for the decision.

5. **Written and/or Oral Discussions**

a. Summarize the content of the written and/or oral discussions, the personnel included in the proposal who were invited to participate, and the list of attendees, including both Government and offeror personnel.

b. Discuss the time allotted for receipt of BAFO's and each proposal revision received.

6. **Final Evaluation Findings**. Summarize the BAFO revisions and provide a discussion of the evaluation of the revised proposals and any resultant changes in rating or scoring. Provide the rationale for any changes. Clearly identify from the previous list of major and minor strengths and weaknesses any revisions, additions, and/or deletions to provide clear traceability throughout the evaluation process.

7. **Oral Presentation**

a. The SEB Chairperson is normally responsible for conducting the presentation to the SSO. It is the Chairperson's function to convey concisely and accurately the results of the SEB deliberations to permit an informed and objective selection of the best source for the particular procurement.

b. As a general rule, the SEB Chairperson's prepared oral presentation should not exceed an hour to be followed by a question and answer period. Copies of the viewgraphs to supplement the SEB report forwarded to the SSO are to be available to those attending the oral presentation. Relevant backup material is to also be available at the presentation.

c. The main thrust of the oral presentation is to focus upon issues and problems identified by the SEB's findings and to highlight the reasonable alternative choices available to the SSO. This presentation must include an explanation of any applicable qualification standards; evaluation factors, subfactors, and elements; the major strengths and weaknesses of the offerors; the Government estimate, if applicable; the offerors' proposed cost/price; the probable cost; the proposed fee arrangements; the results of written and/or oral discussions; the BAFO's; the final evaluation findings; and the final adjectival ratings and scores. These aspects of the report are central to its meaning, and must be reviewed in the oral presentation despite the redundancy to the written report.

d. The presentation shall clearly indicate any discriminators. This requires the presentation of scores in enough detail to provide an adequate basis for the SSO to assess the validity of the judgments made by the SEB. This detail shall extend at least to all levels of subfactors and numerically scored elements

e. A suggested progression of charts follows. Brevity and understandability are key. Charts should highlight the significant aspects of the comprehensive written report. They should prompt discussion. Sample charts are not included in this handbook since these tend to lead toward unnecessary or even inappropriate standardization. As appropriate, the Assistant Administrator for Procurement will, from time to time, disseminate sample charts illustrative of approaches or techniques of exceptional merit and usefulness.

(1) Identification of the Procurement. This chart should identify the installation, the nature of the services or hardware to be procured, some quantitative measure including the Government estimate for the procurement, and the kind of contractual arrangement planned. Detailed objectives of the procurement should be avoided.

(2) Background. This item is useful to identify any earlier phases of a phased procurement or, as in the case of continuing support services, to identify the incumbent and any consolidations or proposed changes from the existing structure.

(3) Evaluation Factors, Subfactors, and Elements. An explanation of any qualification standards and the evaluation factors, subfactors, and, if utilized, elements, along with assigned weights, is an important part of any presentation of SEB findings. The relative order of importance of the evaluation factors and, within Mission Suitability, the numerical weights of the subfactors and, if utilized, numerically scored elements should also be presented. The adjectival scoring system utilized as an aid in evaluation of Mission Suitability should be presented.

(4) Sources. This chart will indicate the number of potential offerors solicited, the number of potential offerors expressing interest, e.g., attendance at a preproposal conference, and the identification of offerors submitting proposals in response to the solicitation. Small businesses, small disadvantaged businesses, and women-owned businesses can be identified here. In

addition, a chart must be included for each offeror indicating the Chief Executive Officer, the location of the offeror, some representative products, and similar information for each major subcontractor proposed.

(5) Summary of Findings. The summary chart shall, as simply as possible, list the initial Mission Suitability ratings and scores, the final Mission Suitability ratings and scores, the offerors' proposed costs/prices, and the SEB's assessment of the probable costs. In addition, any clear discriminator, problem, or issue which could have an effect upon the selection should be introduced at this time. The determination of competitive range must be addressed here.

(6) Strengths and Weaknesses of Offerors. These charts can be among the most valuable presented, and its preparation could initially assist the SEB Chairperson in distilling the essence of the SEB's findings. Certain guidelines should be followed in the preparation of these charts:

(a) Only the major strengths and weaknesses of individual offerors should be selected for presentation. The significance of strengths and weaknesses is lost when exhibited in long lists without distinction as to importance.

(b) The strengths and weaknesses should be directly related to the evaluation factors, subfactors,and elements.

(c) Strengths and weaknesses should be as clear as charting techniques and limitations will permit. Care should be taken to avoid an analysis of strengths and weaknesses based totally on numerical scores. This practice limits the SEB and the SSO in their evaluation and selection. For example, not all major weaknesses could be considered of equal value--some are correctable during negotiations and some are not.

(d) It is important to indicate the significance of major weaknesses. Can they be corrected during negotiations? If so, at what cost?

(e) The results and impact, if any, of written and/or oral discussions and BAFO's on ratings and scores must be clearly indicated.

(f) Key personnel charts must be included in the presentation, providing a list of the key personnel for each offeror together with, as appropriate , their educational background, general background,and any pertinent details applicable to this procurement.

(7) Final Mission Suitability Ratings and Scores. This chart is to summarize, as simply as the material will permit, the evaluation subfactors and elements, the maximum points achievable, and the scores of the offerors in the competitive range.

(8) Final Cost Evaluation. This chart summarizes probable costs associated with each offeror including proposed fee arrangements. The data should be as accurate as possible; therefore, SEB adjustments to achieve comparability should be shown. Further, the presentation of this chart should include the measure of confidence the SEB has in the costs of the individual offerors, noting the reasons for low or high confidence.

(9) Relevant Experience and Past Performance. This chart should reflect the summary conclusions. This information is to be supported and amplified by specific case data with particular emphasis on exemplary or inferior performance and its potential bearing on the instant procurement.

(10) Other Considerations. This chart lists and discusses the Other Considerations addressed in the RFP, providing an appropriate adjectival rating for each of the Other Considerations subfactors.

(11) Special Interest. This chart should include only information of special interest to the SSO that has not been discussed elsewhere, e.g., procedural errors or other matters that could have an effect on the selection decision.